Future foresight: How will Generative AI transform management consultancy firms, and what implications will this have on the workforce?

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Laurea University of Applied Sciences **Abstract**
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This thesis examines how advancements in generative artificial intelligence (GenAI) are set to transform the management consultancy industry by 2030. It provides actionable insights and recommendations for consultancies on how to prepare for these changes. This thesis aims to guide management consultancies in their strategic planning and workforce development as they navigate a future where AI capabilities will reshape consulting services and client expectations.

The development task is focused on building future scenarios that illustrate AI's potential impacts on consultancy firms and on the consultants' role. These scenarios, created using future foresight methodologies, incorporate methods like STEEPLED analysis, the Futures Triangle, scenario construction, SWOT analysis, and backcasting. Theoretical insights from AI technology, strategic foresight, and organizational change theories form the knowledge base for this study.

Key findings indicate that Generative AI will substantially impact consulting tasks, skill requirements, and management consultancy firms service offerings and business models. The study focuses on the need for consultancies to transition into AI-driven advisory roles, leveraging proprietary AI systems to provide advanced insights, beyond what clients can develop in-house. The analysis suggests that consultants need to build new skill sets that blend strategic thinking with knowledge of AI and how to use it ethically. For management consultancy firms to maintain a competitive edge, it is also recommended to invest in AI infrastructure, upskilling of consultants, and the adoption of new price- and delivery models.

This research also emphasizes the importance of having adaptive strategies and proactive planning to remain resilient when the AI advancements are as rapid as they are now. Consultancies that can integrate AI with human expertise will be the ones to succeed in this evolving landscape.

Keywords: Artificial Intelligence, Management Consulting, Future Foresight, Scenario Planning, AI Skills Adaptation

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1 Introduction

As an industry that has historically led the way in business innovation and where to be next in the strategic conversation, management consulting is at a critical point in its evolution. AI is being developed at an unprecedented pace, and it has the potential power to transform all aspects of the consultancy service offerings, and how consultants conduct their daily work. Given the constant threat of new disruptive technologies, I find it important to explore this intersection between management consulting and AI, both in how quickly technology is changing the kind of service offerings management consultancy firms are providing, but also in how these advancements will change the role of a consultant and what skills set they need to possess going forward.

The impact of AI on management consulting is wide-ranging and deep. As seen in a report by McKinsey (McKinsey Global Institute, 2018), automation could dramatically change the nature of work for management consultants in a profound way, particularly in tasks involving data analysis, basic report generation, and routine problem-solving. This shift is already beginning to redefine the consultant's role, where skills like creativity, strategic thinking, and emotional intelligence are key and less automatable.

It´s not just the nature of consulting work that AI is changing, but also how consultants experience their day-to-day work environment. Deloitte's 2023 Global Human Capital Trends report (Deloitte, 2023) notes that AI is becoming deeply embedded in software to personalize learning paths, optimize work delegation, and to help predict potential burnout in high-stress environments like management consulting (Deloitte, 2023). These applications of AI have the potential to enhance the employee experience of management consultants to a large degree, but it also raises important questions about privacy, autonomy, and the human element in the workplace.

As management consultancies struggle with these changes, they also need to deal with the question of how AI can be used to enhance service offerings and improve internal efficiency, and at the same time, maintain a people-centric approach as a consultancy firm. Davenport and Ronanki (2018) argue that successful organizations will be the ones that can effectively merge AI capabilities with human expertise, creating what they call "augmented intelligence." Such an approach would provide clients with better value and offer more engaging and fulfilling experiences for the consultants.

The path to this AI-augmented future is not an easy one. A McKinsey survey (McKinsey 2024) found that even though many organizations are adopting AI technologies, the employees do not feel prepared enough for these changes or how to tackle them. This gap highlights the need for consultancies to focus on upskilling their workforce and rethinking their operating models to make the changes stick and foster continuous learning.

With this in mind, future foresight comes very much in hand as a tool to approach the uncertainties around AI's impact on the consulting industry. According to Hiltunen (2013), foresight is the process of gathering intelligence about the future to aid decision-making in the present in a process that is both systematic and participatory. In this thesis, future foresight serves dual purposes. First, it allows us to explore different scenarios of how AI might reshape the consulting landscape, from small step-by-step changes to more disruptive transformations. Second, it offers a way of identifying new trends and weak signals that could have a strong impact on the consultants' role in the coming years. By using the method of future foresight, this thesis aims to describe potential scenarios of how generative AI can affect management consulting in the coming 6-8 years. The intention is to provide tangible and practical recommendations for management consultancies on how to approach the fast development in the AI field, so that these firms can proactively shape and adjust their offerings, business focus and consultants' skill sets, to meet the demands of an AI-enabled future.

By looking into how management consultancies are affected by generative AI, more insights can gained into the future of knowledge work, since management consultancies are one of the first industries to deal with AI integration. Their experiences will provide valuable lessons for other sectors facing similar transformations and by understanding how these firms approach the balance between technological progress and people-centric work experiences, we can learn a lot about what the future of work looks like in an AI-infused world.

1.1 The Phenomena of Generative AI

Artificial intelligence (AI) is the design of software structures that can carry out actions and make judgments that in the past have needed human intellect, for example recognizing speech, noticing patterns, and solving complicated problems (Russell & Norvig, 2021). Generative AI has proven to be a very transformative technology, and it has made the field of AI take a giant leap forward in terms of usage by the general public. Traditional AI systems are best suited for pattern recognition and predictive analytics, but the new generative AI models bring the ability create content that previously did not exist. This includes text, video, audio, and images. This new content is generated by AI models which have been trained on large amounts of data. In simple terms, generative AI are data models trained to determine the probability of the next word (or pixel) in a sequence based on the input data and available training data. (Goodfellow et al., 2014). This new ability to generate, instead of just analyze, opens up many new use cases in all types of industries, including management consulting (Sejnowski, 2020).

There are two general types of Generative AI; Generative Adversarial Networks (GANs), and transformer-based models. In 2014, the concept of GANs was introduced by Goodfellow et al. (2014). The GAN is made up of two neural networks — the generator and the discriminator.

These two networks are simultaneously trained in a process called adversarial training. GANs have been able to produce photorealistic images, video, and audio. The GAN architecture paved the way for new innovations, and in 2017, Vaswani et al. (2017) introduced transformer-based models that changed the landscape of natural language processing once again. Their transformer model was designed to predict words considering all the other words in an input sequence, thereby allowing them self-attention. This architecture helped to inspire the development of large language models, also known as Generative Pretrained Transformers (GPTs)(Brown et al., 2020).

From a historical perspective, research into artificial intelligence (AI) dates back to the McCarthy et al. (1955) definition of AI, and AI has long been considered "the holy grail" of computing. Symbolic reasoning was considered the first generation of AI systems and with the introduction of machine learning and deep learning, systems could now learn from massive datasets, which was recognized as a major improvement in the development of AI (LeCun, Bengio, & Hinton, 2015). In 2014, Goodfellow et al. (2014) introduced, as mentioned above, Generative Adversarial Networks (GANs), which also was a defining moment in generative AI history. Now, it was proven that a machine actually could generate realistic images and content. This opened up a wide range of new possibilities for the creative use of AI. The later introduction of transformers (Vaswani et al. 2017) resulted in a significant breakthrough in the field of natural language processing, and this transformer model is the basis for the generative AI applications we see today.

The company Open AI continued the development of generative AI based on transformer models and introduced their GPT family with the release of GPT-2 in 2019 and GPT-3 in 2020 (Brown et al., 2020). GPT-3, already featuring 175 billion parameters, increased the ability to generate human-like texts in a many different areas at a previously unseen scale. The launch of ChatGPT 3.5 in late 2022 to the general public was a pivotal moment, with generative AI becoming mainstream and catching the interest of society and media. This release created intense discussions about the impact of AI within various sectors (including management consulting) and society at large.

Why Is Generative AI emerging now?

Several factors can be attributed to the emergence generative AI:

- **Computation power:** The most crucial factor is the development of computational resources, which allows efficient training of large neural networks, which was previously deemed not technically feasible.
- **Availability of big data:** In the past, the amounts of big data needed to train the models effectively was simply not available (LeCun et al., 2015).
- **Innovation in neural network architecture:** Groundbreaking new AI models (like transformers) have improved efficiency and performance (Vaswani et al., 2017).

- **Investment in AI research:** Major capital investment from the private sector and governments have accelerated AI research and development.

How Does Generative AI Work?

At first glance, it is hard to grasp how generative AI actually works to produce the images, texts, and audio in a very human-like fashion. In essence, Generative AI models are trained on large quantities of data, allowing them to make calculations to predict the next word or pixel in the sequence, learning the statistical properties of language (Brown et al. 2020). These AI models use neural networks with multiple layers that structure the learned data, much like a human brain. Techniques like backpropagation and gradient descent (Rumelhart et al., 1986) are used to train the model millions of times over, adjusting the training output through incremental feedback-loops. In transformer architectures, self-attention processes allow the model to evaluate the importance and likelihood of the input data, which helps the model to understand better context than previous architectures (Vaswani et al. 2017).

Consequences for society and business

With generative AI gaining traction in both business and society, automation and efficiency are the main opportunities with this new technology. Generative AI has the ability to automate entire cognitive processes, from content creation to data analysis, which, in turn, enhances efficiency and decreases costs (Davenport & Ronanki, 2018). AI also sparks innovation and creativity by facilitating the process of developing products, making music, and writing (Sejnowski, 2020). Personalization is another area where companies could take advantage of generative AI capabilities, creating highly personalized customer experiences that offer new levels of engagement and satisfaction. Generative AI provides great opportunities, but there are also many challenges to keep in mind. The new capabilities that AI brings, poses of course a potential risk for misuse. Deepfakes, fraud, or disinformation can easily be produced with the help of AI, resulting in significant ethical and legal issues. Generative AI models can also withhold, or amplify biases that are already present in their training data, raising questions about their fairness and the responsibility for training the models without bias. Governance and legislation need to be defined in a way so that AI can be used in an ethical way, living up to societal values and standards. Another issue is the notion of potential job displacement, as cognitive tasks previously immune to automation, are now being subject to automation by AI. This could lead to many people losing their jobs in across industries as AI is adopted for efficiency purposes.

Impact on Management Consulting

When it comes to Management consulting, Generative AI could potentially transform a multitude of areas within the industry. Davenport and Ronanki (2018) emphasize key areas where AI is making a big impact in business:

- **Data analysis and insights:** Generative AI can process and analyze large amounts of data very fast and generate insights and reports in a natural language.
- **Content creation:** From drafting proposals to creating presentations, generative AI can help consultants produce high-quality content in a fraction of the time.
- **Problem-solving and ideation:** For brainstorming new ideas and generating creative solutions to business problems.
- **Client interaction:** AI assistants could handle the initial stages of client queries and provide basic consulting services.

The almost explosive development of generative AI also poses challenges for the consulting industry, from redefining the future role of consultants and what value human expertise provides, to the ethical implications of AI-generated advice and decisions. Data privacy, AI bias, and lack of transparency in its decision-making process are also issues to consider when management consulting firms adopt these new tools. Generative AI has enormous potential through its ability to produce original content, draw insights, and create solutions - improving efficiency and quality across multiple sectors, not just in management consulting.

As generative AI opens up a whole new world of possibilities, but as mentioned above, we must not ignore the fact that it also comes with numerous challenges and concerns. The innovation rate continues to progress, and generative AI will most likely become a standard tool in the management consultants' toolkit, rather than replacing the human consultant entirely. For management consultancy firms to thrive in this environment, they need to integrate AI capabilities with the human skills of the consultants, enabling them to deliver new services more efficiently to customers.

1.2 The aim, research questions, and approach of the thesis

This thesis seeks to provide future foresight on how generative AI will shape management consultancy firms and the impact it will have on their employees. The research questions are:

1. How might AI advancements affect the management consultancy industry, and what implications will this have for management consultancy firms?

2. How could AI advancements alter the day-to-day tasks and role of management consultants, and what new skills and competencies will be crucial for consultants?

3. What actions should management consultancies take in the present to prepare for the possible futures ahead?

My aim with this thesis is to formulate recommendations for management consulting firms on what actions they need to take in the near present, in order to be prepared for the potential futures at hand. AI will continue to evolve faster and faster, changing the nature of how we work, collaborate, and communicate across society. The AI that we have today is the most unsophisticated AI we will ever have going forward. This lightning-fast development makes future foresight very challenging, since new AI models and applications are launched almost weekly. Because of this, I decided to have a narrow time span in terms of foresight, looking six to eight years into the future.

1.3 Management consulting industry

Management consultancy is the professional practice of advising companies on how to improve organizational performance and solve strategic problems, often in a complex business environment. Management consultancy covers a multitude different areas—strategic planning, operational improvement, organizational restructuring, and technological transformation, to name a few. O'Mahoney and Markham (2013) define management consulting as "the providing of external advice and expertise which assists organizations in achieving their objectives and resolving issues." In my opinion, this definition only touches partly on the full scope of management consulting. In practice, management consultants act as external advisors, applying specialist knowledge to their client's most demanding challenges using their analytical ability, problem-solving skills, and a vast collection of insights from previous projects across multiple industries. Management consulting firms operate across many sectors and industries, providing independent viewpoints and creative solutions that organizations themselves may have difficulty developing themselves in-house. Management consulting covers a large and constantly changing space with traditional focus areas such as strategy development, operational efficiency, financial stewardship, and organizational design. In recent years, focus areas have also begun to include digital transformation, cybersecurity, and sustainability.

Companies usually call upon management consultants when they either have a case with a specific, narrowly defined problem or when they are facing a challenge that holds much uncertainty and requires the exploration and definition of the actual problem at hand. One of the fundamental components of management consulting work is the use of knowledge transfer. Consultants identify solutions and develop capabilities in the client organization so they can tackle future problems more effectively and without the need for assistance from external resources. This knowledge transfer aspect is what separates consulting from other professions and contributes to the lasting impact in client organizations.

History of management consulting

The first signs of management consulting originate back to the early 20th century, at the time when scientific management principles started to get traction. The management consulting

industry has undergone many shifts since then and McKenna (2006) describes the evolution of management consulting in four different periods:

The first period of management consulting was between the early 1900s and the 1940s. This period was influenced by the introduction of scientific management thinking, which was used to increase efficiency in the then highly manual industrial production. Frederick Winslow Taylor, also known as the "father" of scientific management, laid the groundwork for systematic approaches to organizational improvement and production efficiency, which became the standard offerings for management consultancies in this period.

The second period extended from the 1950s to the 1980s. This was when consulting firms started gaining legitimate foothold in business, evolving into invaluable guides to senior executives and company leadership teams. Consulting firms such as McKinsey, BCG, Bain & Company, grew aggressively, focusing on high-level strategic advisory work for nearly every fortune 500 company in the US. It is during this timeframe that a lot of the concepts, models and frameworks around management that we use in business today were created.

The third period, running from the 1990s into the 2000s, was shaped and propelled by the IT boom. The IT-hype was seized by consulting firms offering new products and services in the areas of technology implementation and process reengineering. During this time, we also saw major accounting firms setting up and offering consulting practices, which led to an increase of the number of management consultancy firms being active on the market.

The present period, beginning in the early 2010s, has had digital transformation and how organizations can improve and become more efficient using digital technology as it´s core focus. Consulting firms are capitalizing on the speed of innovation within the technology landscape, including advancements in AI, where clients struggle to keep up with how to utilize and integrate technology in their business. Specialized boutique firms started to emerge, offering niche consulting, often connected to a certain system or part of the client's business. This period is also marked by technology companies continuously launching new systems and software, pushing clients to embrace data-driven decision-making even further.

During these historical periods of management consulting, the core value proposition has remained the same: external, expert perspective and best practices in pursuit of organizational excellence and innovation. The methods, tools, and areas of focus have evolved continuously over the years, to stay in tune with the ever-changing needs of businesses in an increasingly complex business landscape.

Modern Management Consulting

The management consulting industry of today is complex and very varied, with services ranging from practical hands-on support for implementing new processes to assisting in creating strategic decision-making material for C-suite managers as a trusted partner. The

size and focus of management consultancy firms also vary a lot, from large multinational firms like McKinsey and BCG, which offer a plethora of comprehensive services across all industries, to small boutique firms that specialize in niche sectors or functional areas. Consulting companies of today, regardless of size, all strive to enter into long-term strategic relationships with their clients to secure a stable future of earnings and profitability.

In terms of work processes, management consulting typically begins with problem identification; either the client has provided a problem statement, or the consultants help the company define the scope and nature of the problem. The first stage is to collect and analyze data connected to the problem scope. The nature of the problem dictates what data the consultants need to analyze. It can for example be data regarding; financial health, organizational performance, customer behavior, or marketing penetration. The analysis usually includes benchmarking to industry standards or other companies that successfully have solved similar problems. With the findings from the analysis as a backdrop, consultants will create and present recommendations for the customer to consider. The recommendations often hold a roadmap with actionable steps to solve the problem and how the consultancy firm can assist in the execution.

Even though the management consultancy industry has seen quite an increase in growth and influence since the 1980s, there are a number of challenges lurking ahead. These include disruption from artificial intelligence, advanced digital platforms, and freelance consultants utilizing these tools as a competitive advantage. On the client side, there are increased levels of skills and knowledge in the in-house workforce, fueling discussions of the tangible value of engaging external consultants. But management consulting has proven time and time again to be a dynamic, influential industry, agile in the face of change and regularly pivoting to meet the clients' new needs in a fast-evolving business landscape. Management consultancy firms' core strength has always been their ability to combine deep analysis with creative problem-solving to strategic business challenges. This strength has historically made them an irreplaceable resource for companies with complex issues who are seeking ways to improve business performance and efficiency.

1.4 Background and motivation for the thesis

I have been a management consultant for fourteen years, working with organizational design, process optimization, and team performance at a firm in Stockholm, Sweden. The firm focuses on consultancy services in data-driven marketing, AI technology, organizational design, and digital performance marketing. It aims to help clients improve their marketing efforts and efficiency by optimizing technology, data, processes, and organizational setup. Today, the firm employs 51 people with a mix of business consultants specializing in IT architecture, business strategy, organizational design, agile coaching, UX design, Graphic

design, and social media. While studying at the Laurea Program for Service Innovation and Design, I took two courses on future foresight and these courses inspired me to choose future foresight as the theme of my master's thesis. To apply future foresight to the industry where I have been working for a long time felt natural and very inspiring due to the recent advancements in the field of AI, that without a doubt, in my opinion, will reshape management consulting going forward.

2 Future foresight - understanding change to anticipate the future

"The only constant is change" is a quote that characterizes today's ever-evolving business landcape. In this environment, engaging in foresight activities to try to anticipate future events that can affect a business, becomes more and more important. At its core, future foresight is basic risk mitigation, ensuring that a company does not fall behind in terms of product innovation, service offerings, customer experience, or product features. Knowing when and where you can expect changes to a market, both near term and further down the road, is absolutely essential for business success. This chapter takes a closer look into the concept of future foresight and why it is needed when dealing with complexity in a changing world.

2.1 The Nature of Foresight

Future foresight is not about exactly predicting the future - but rather developing a mindset that allows us to imagine several potential futures. As Hajkowicz (2015) notes, it's about preparedness and mental readiness for a range of possible scenarios. The future is shaped by the choices we make in the present, which are, in turn, influenced by our understanding of past events and current trends. Wise choices begin with imagination, and better decision-making pathways can be created by exploring and describing future scenarios. Foresight involves analyzing the flow of time—how present moments continually become part of our historical database. This database of past events provides patterns and insights that can help us understand potential future developments. In the future foresight handbook "From Signals to future stories", (Jalonen et. al 2017) there is a quote that encapsulates the importance of looking backward when doing forecasting: "The future is not free of the past." While history may rhyme, and trends re-emerge, it rarely repeats itself exactly (Hiltunen, 2013). In future foresight, "possible futures" is often used to describe the range of potential outcomes. This can be broken down into four categories, usually referred to as the "four P:s" (Hajkowicz, 2015):

1. **Probable futures:** These futures are likely to occur based on current events, signals, trends, and historical patterns.

2. **Plausible futures:** These futures could happen based on our current understanding of how things work.

3. **Possible futures:** These are all the futures we can imagine, regardless of their likelihood.

4. **Preferable futures:** This is the future(s) that is the best-case scenario for us.

By considering all these perspectives, foresight researchers can imagine and develop a deeper understanding of a multitude of futures, and be able to create the actions needed that might lead to them.

2.2 Challenges in Foresight

Foresight is a powerful tool, but it has also a few challenges that one needs to be aware of when practicing it. Our cognitive biases as humans can lead us to overlook essential signals or overemphasize familiar patterns when conducting foresight research. As Vejlgaard (2008) notes, people's different levels of openness to change affect how quickly new trends are adopted. Confirmation bias, for example, can lead us to pay attention only to information that confirms our existing beliefs about the future. Overcoming these biases requires great effort and often benefits from using different perspectives and having a structured research process. In a world of information overload, it can be very hard to distinguish meaningful signals from what should be considered as just plain noise. There's also the risk of focusing too much on rare wild card scenarios, while other more subtle signals could be just as important. Another challenge is the "weight of the present" - the difficulty of imagining truly transformative change when we're so caught up in our current reality and ways of thinking. Overcoming this requires techniques to challenge our assumptions and knowingly imagine radically different futures, pushing our own thinking in new directions.

2.3 The Value of Foresight

Even though there are challenges with future foresight, working actively with this type of research is an invaluable tool for companies trying to navigate the business landscape of today, often described as Volatile, Uncertain, Complex, and Ambiguous (VUCA). In this environment, foresight research helps companies by:

- Anticipate challenges and opportunities in their environment by regularly scanning for weak signals and analyzing trends.
- Develop flexible strategies that can handle various scenarios.
- Foster innovation by putting spotlight on identified new needs and possibilities.
- Build organizational resilience by preparing for multiple future scenarios.

As Hajkowicz (2015) explains, foresight is not about predicting a single future, but expanding our view of what's possible and preparing ourselves for the different scenarios that could unfold in the future. By conducting futures forecasting, companies have the ability to "future-proof" themselves and better mitigate business risks connected to external factors. By analyzing levels of change, scanning for new trend signals, and having a process for continuously reimagining multiple plausible futures, companies can better prepare themselves for coming challenges and opportunities. Future foresight doesn't offer companies precise certainty or the exact path to go into the future, but it can provide general directions, and be a valuable compass, in the uncertain foggy waters of the future.

2.4 Levels of Change

To effectively engage in future forecasting, it's essential to understand the levels of change that occur around us, and for how long these changes have existed. The levels of change are considered as trends, megatrends, weak signals and wild cards:

Trends: Trends are directional changes observed in the present and recent past, providing insights into future movements. As Raymond (2010) explains, trends can be emotional, intellectual, or manifested in tangible ways. They shape our behavior, societal norms, and provide insights into the underlying motivations and principles driving people's behaviors and choices. A trend is a unique process of change that impacts many people at scale. Understanding human behavior is the same as understanding trends, since trends are patterns of people engaging in new ideas or behaviors. As time goes by, these changes in behaviors can become more and more prominent, gain influential power and form a trend.

Trends don't exist in isolation; they are part of a larger system of change. Vejlgaard (2008) describes a "Diamond-Shaped Trend Model" that illustrates how trends roll through society, from trendsetters to early adopters, followed by early majority, late majority and ending with laggards. Understanding this process can help anticipate how trends might evolve and impact different segments of society over time. To identify trends, future forecasters look for shifts in behaviors, attitudes, or mindsets, which requires a great deal of sensitivity and an open mind.

Megatrends: Megatrends are large, long-lasting periods of change that affect multiple societal aspects. Heinonen et al. (2017) describe Megatrends as having a clear historical trajectory and that are likely to continue to influence the future. They are the powerful currents shaping our world, operating below the surface of day-to-day events. Megatrends are often interconnected and can reinforce, or counteract each other. For example, the megatrends of urbanization and digitalization are closely linked as digital technologies provides new types of urban living and working forms, like the growing trend of working remotely. Identifying such interactions is a vital part of megatrend analysis. Since Megatrends has a clear history and trajectory, they are more predictable than other changes. Megatrends are slow-moving in nature, but have a big impact once they manifest fully. Hajkowicz (2015) compares megatrends to that of a current in the ocean, a strong force that continuously moves and impacts what comes in its way. To ignore it is unwise, and dealing with it requires strategic planning. Megatrends often bring countertrends, causing gradual changes that eventually can lead to explosive impacts. Scenario-planning exercises can help to anticipate various outcomes of megatrends, allowing for proactive measures to achieve preferred futures.

Weak Signals: These are early indicators of potentially major changes. Hiltunen (2010) describes weak signals as small events or pieces of information that at first seems irrelevant, but, when collected and analyzed, could point new to emerging trends. Identifying and interpreting these weak signals is an important skill when practicing foresight research. These signals are often hidden in plain sight and easily overlooked, but they are essential to identify new trends and behavioral changes. Weak signals tends to be found in unexpected places or areas that seem unrelated to what is actually researched. They could for example appear in art, scientific research, fashion, or teen subcultures. They may not seem significant individually, but if you examine them as a whole, they can form patterns that indicate a future change. The challenge is to spot these signals and understand their potential implications before they become apparent. Organizations can use weak signals for product innovation or hypothesis testing before they are widely recognized.

Wild Cards: Wild cards are also known as "Black swans". A name given by Nassim Taleb in his book with the same title (Taleb, 2007). Wild cards are low probability events that have a very high impact once they happen. As Heinonen et al. (2017) point out, wild cards are difficult to predict, but considering their possibility is crucial for developing resilience and adaptability. Wild cards are characterized by their rare occurrence, extreme impact, and the large efforts in explaining them, after the event has taken place. Wild cards can occur on a global, national or local levels, and are usually caused by either; natural phenomena like earthquakes, floodings and wildfires, or, unforeseen human actions, like running aground a containership in the Suez Canal or terrorist attacks on vital infrastructure. What is so special about a wild card is that it is hard to foresee, and it has profound and far-reaching consequences once it occurs. A wild card can be both positive (like a major scientific

breakthrough) or harmful (like a global pandemic). While wild cards can't be predicted with certainty, anticipating them is crucial due to their substantial effects on the future. Organizations and individuals can prepare for wild cards by examining weak signals and creating scenarios to mitigate their impacts.

3 The Research process

For the future forecast, I chose a combination of methods, which became a 5-step process: 1. Environmental scanning, 2. Trend analysis, 3. Scenario development, 4. Impact analysis and 5. Action development. I used the 3S Method – Sensing, Sensemaking & Seizing as an overarching process for these five steps.

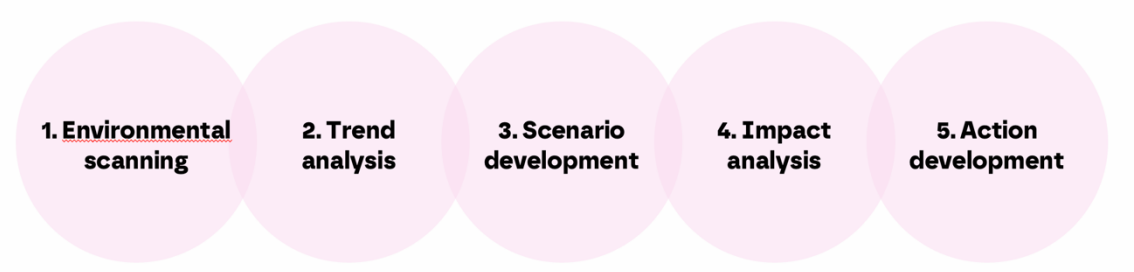

Fig.1 The research process

3.1 Future Foresight - Sensing, Sensemaking & Seizing

Future foresight, or futures research, is a scientific field that studies multiple possible futures. As Heinonen et al. (2017) define it, future research is characterized by three key elements: multiplicity, multidimensionality, and investigation. Multiplicity refers to the existence of numerous possible futures rather than a single predetermined outcome. It also acknowledges that these possible futures can be looked upon from different perspectives; social, economic, political, and technological perspectives are examples of these. The investigative aspect emphasizes that the future can be studied systematically, generating valuable knowledge to inform present-day decision-making about the future. Futures research typically uses qualitative data collection methods when gathering signals of change like brainstorming, expert interviews or group discussions. These methods guide the approach and direction of future investigations (Van der Duin 2006). Strategic foresight, a specific application of futures research, is particularly relevant to organizational decision-making processes. It aims to identify necessary changes for future success and provides a holistic view of environmental changes, helping to predict required development directions (Heinonen et al., 2017). In contrast to conventional strategic models that tend to be rigid, strategic foresight provides a flexible method for exploring, defining, and charting uncertainties, uncovering challenges, and devising strategies to overcome them (Lustig, 2017).

In this thesis, the 3S method—Sensing, Sensemaking, and Seizing—is employed as the foresight approach. Koskelo and Nousiainen developed this method (Koskelo & Nousiainen, 2019), which combines futures design and systems thinking approaches to recognize and analyze changes that can be translated into meaningful future value. The 3S method consists of the following phases:

1. **Sensing:** This initial phase involves monitoring and gathering signals of change in the environment. It requires a systematic, focused, and holistic approach to identifying new trends and weak signals that may indicate future developments.

2. **Sensemaking:** In the second phase, the gathered signals are analyzed to identify patterns and understand the nature of change. It involves intuitive data analysis and creativity to formulate initial trend descriptions and future scenarios. Trend walls and trend cards are tools used in this phase to make sense of the data collected.

3. **Seizing:** The seizing phase focuses on using the insights gained from the previous stages to take concrete action. This is about testing and validating foresight, identify opportunities in the future, and to develop strategies and action plans for capitalizing on the new trends.

The 3S approach is a method well suited for future forecasting since it allows for a in depth analysis of growing trends, their potential impacts, and the development of actionable strategies to prepare for the future.

3.2 Environmental Scanning:

Environmental scanning is a systematic survey for indications of change that can appear in different areas. When conducting environmental scanning, researchers cast a wide net to capture as many different signals of change as they can, that could potentially affect the organization, phenomena, or company in focus. This method involves monitoring different macro-environmental factors in various forms; newspapers, blogposts, academic articles, blogposts, political debates, art, music, literature etc. Futurists usually collects signals from different categories (social, technological, economic, environmental, political, legislative, ethical, demographic) to ensure they cover many different aspects of our society, which at any time can influence the future direction of an organization. The purpose of environmental scanning is to identify future trends, possible threats, and opportunities, that could have an impact on the organization. By doing so, organizations be proactive in their strategy work, forming actions to move them in the desired direction in the business landscape. Environmental scanning is particularly important in industries categorized by rapid

technological innovations, dynamic market conditions, and fierce competition. Environmental scanning normally involves formal and informal data collection methods (Aguilar, 1967). Formal methods often use PESTLE or STEEPLED analysis, while informal methods might be based on networking and stakeholder conversations to collect qualitative data (Choo, 2001). The collected data is analyzed to identify patterns and their potential implications for the organization. Gathering information of potential change is the foundation of environmental scanning, but the process does not just end with this. It is also all about the researcher developing an awareness to recognize these subtle signs of change. Researchers need to have an open mind and be curious in order to achieve this, as well as be willing to look beyond the usual sources of information.

3.3 STEEPLED

The STEEPLED analysis is an extension of PESTEL, and it is considered an effective and broad tool for analyzing external factors that might affect an organization's future direction. The factors used in the STEEPLED analysis are Social, Technological, Economic, Environmental, Political, Legal, Ethical, and Demographic factors. By using the STEEPLED framework, organizations can analyze each of these factors to understand the potential impact on their business (Worthington & Britton, 2015).

The dimensions of STEEPLED are:

Social: Social factors concerning the cultural and societal conditions surrounding an organization. They involve shifts in lifestyle, changes in what constitutes normal customer behavior, education levels, health consciousness, and societal values. Understanding the social trends of customers and their values helps companies create products that satisfy consumer needs.

Technological: This is about technical innovation in either automated or semi-automated systems. It's also about research and development efforts and public acceptance of new technology. Technological factors can impact a company's entry into new markets or attract specific customers. In addition, technology influences the internal operational efficiency of an organization and how services are provided to its customers.

Economic: Economic factors include the performance of the broader economy, consumer purchasing power, economic growth, fluctuation in interest rates, level of inflation, exchange rates, and employment rates. These factors influence how organizations price their products and manage their financial strategies.

Environmental: This category contains factors concerning the ecological environment, for example; climate change, regulations, waste management, sustainability practices, and energy consumption.

Political: This category involves government policies and regulations that could potentially alter a company's business environment. It encompasses tax policies, stability in political systems, trade barriers, labor law, as well as political intrusion. Political decisions can have a big impact on market conditions and the way organizations operate.

Legal: This covers the legal requirements and regulations that organizations must fulfill: e.g., employment laws, antitrust laws, health regulations, safety regulations, and consumer protection laws.

Ethical: Ethical factors relate to the moral principles and values that an organization should live up to according to consumers and society. They include for example corporate social responsibility, ethical sourcing, fair trade, and business transparency. Ethical considerations are key for gaining and keeping the trust of customers, partners, and society at large.

Demographic: This covers signals related to statistical types of the population, age distribution, gender ratios, levels of income, levels of wealth, ethnic composition, and education level. These factors can influence a company's market segmentation, targeting strategies, and product development.

By using STEEPLED analysis to examine and understand the signals of change in each category, organizations can develop more responsive strategies, which can help to maintain or improve their competitive advantage and strategic positioning for future scenarios.

3.4 Futures Triangle

To get a deeper understanding of the patterns of change, it is essential to look beyond just the trends and examine in what direction the change is leading, including path dependencies, prevailing mindsets, and perceptions of the future. The Futures Triangle is a practical method for this analysis, developed by futurist Sohail Inayatullah (Inayatullah, 2008). This method outlines the factors that may influence the future by considering how the past, present, and future interconnects. The three sides of the futures triangle are represented as:

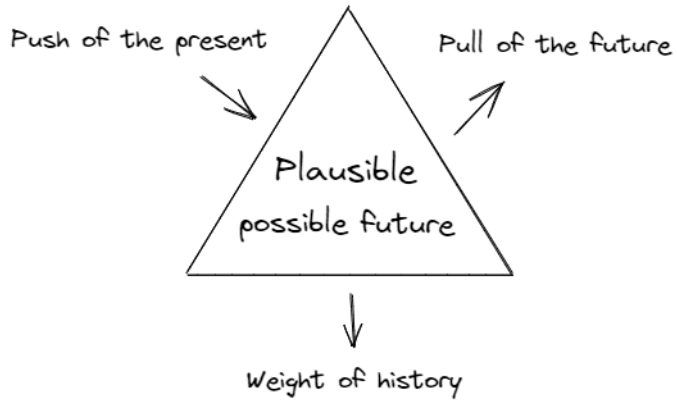

Fig 2 - Futures Triangle

While the weight of the past and the push of the present are anchored in existing knowledge and conditions, the pull of the future is created by our visions and aspirations of what is possible.

The Push of the Present

The push of the present refers to the current changes and developments occurring worldwide. This aspect focuses on everything evolving right now and is the core content of many trend reports. Despite the apparent turmoil in global events, fundamental megatrends—major arcs of change—have remained consistent. Issues such as the ecological sustainability crisis persist, technological advancements continue rapidly, and unexpected demographic shifts present new challenges. When examining the push of the present, it is crucial to consider how these megatrends are interconnected and interpreted. Key questions include:

- Which changes reinforce each other, and which are in tension?
- What are the different perspectives on these changes?
- How do they impact different groups within society?

Addressing these questions provides a more nuanced understanding of the push of the present, allowing for a deeper analysis of the current dynamics shaping the future.

The Weight of the Past

The weight of the past prompts us to examine the historical factors that have led to the current state. In futures thinking, a general principle is that to project ten years into the future, one must look at least twenty years into the past. Historical knowledge helps identify path dependencies and the consequences of past decisions (Inayatullah, 2008). While these factors may limit current perceptions of what is possible, they also offer a foundation to build desired futures upon. In contrast, the push of the present focuses on ongoing changes and the weight of the past concerns the obstacles that inhibit change.

The Pull of the Future

The pull of the future encompasses visions and perceptions of what the future could be, whether utopian, dystopian, or somewhere in between. Aspirational views of the future motivate progress and address the question of what kind of change is desirable. Conversely, threat scenarios prompt reflection on what is important and what society wishes to preserve if fear does not lead to paralysis.

The Futures Triangle is a valuable tool for strategic foresight in its integration of past, present, and future insights. By understanding the weight of the past, organizations can recognize historical constraints and path dependencies that may impact future developments. Analyzing the push of the present allows for the identification of current trends and dynamics that are actively shaping the environment. And articulating the future's pull, helps to formulate clear visions and goals to guide strategic decision-making. To summarize, applying the Futures Triangle enables organizations to:

- Identify drivers of change and the forces boosting or hindering progress.
- Understand interdependencies by examining how various factors influence one another across time dimensions.
- Develop strategies that are resilient to uncertainties by considering multiple perspectives.
- Prepare for various possible futures by recognizing potential challenges and opportunities.

Incorporating the Futures Triangle into strategic foresight provides a comprehensive model for coping with complex and uncertain environments. By balancing the knowledge of the past, the reality of the present, and our desires for the future, organizations can better position themselves to achieve long-term success.

3.5 Scenario Development

Scenario development is a strategic planning method that involves creating several plausible, and coherent descriptions about how the future might unfold. This approach allows organizations to discover (and prepare for) different potential futures by studying the interplay of driving forces and uncertainties. Rather than predicting a single outcome, scenario development focuses on understanding a range of possibilities to inform present-day decision-making (Inayatullah, 2008).

Scenario development is an effective tool for providing perspectives about the future because it enables individuals and organizations to explore and influence potential futures in a systematic way. This process improves decision-making and increases adaptability and resilience by preparing organizations for unexpected changes. Scenario development also

helps to identify opportunities and threats by recognizing new trends, disruptions, and potential areas for innovation or risk mitigation (Inayatullah, 2008).

The scenario development methodology begins by defining the scope, time horizon and the context. To develop the scenarios, key drivers, signals of change, and trends are first identified, using tools (as previously described) like environmental scanning, STEEPLED, and the Futures Triangle. From these insights, the most crucial uncertainties impacting the issue are used, forming the basis upon which scenarios are built.

A scenario consists of a coherent and plausible narrative, describing what the future could look like in the defined time horizon. The scenario also describes the drivers and uncertainties that form the scenario. It's important to remember that future scenarios should not be seen as static descriptions, they should be seen as dynamic. It is therefore recommended to revisit and update scenarios regularly as new information appears or conditions change.

Scenario development is linked with other pillars of futures thinking, and it allows organizations to map out and detail a variety of plausible futures, providing a framework to visualize many different future scenarios (Inayatullah (2008). By exploring these different scenarios, organizations can better anticipate and, more importantly, prepare for potential disruptions (and issues) that might arise as these scenarios play out. Scenario narratives aim to explain the foundational assumptions, worldviews, and cultural factors that shapes the future. They question the idea that it only exists one true future and invite organizations to take transformative steps towards the preferred futures. Scenario development provides strategic options and encourages the development of solid strategies for the alternative futures. It enhances awareness through a deeper comprehension of the complex systems and multiple drivers that are shaping the future. Scenario planning can also highlight the risks and uncertainties that the organization may be facing, enabling it to take proactive risk mitigation actions.

While scenario planning has proven benefits, it is not without challenges. In future scenarios, a good deal of variables and uncertainties come into play, that affects how complexity can be managed. Having this many uncertainties and variables at hand, can be quite overwhelming for business leaders. It is also essential for researchers to avoid cognitive biases when formulating scenarios so that they are not impacted by personal or organizational agendas.

3.6 Impact analysis – SWOT

SWOT analysis is a strategic planning tool developed during the 1960s and 1970s. The tool is designed to help organizations identify and analyze internal and external factors that could affect the business and its performance (Helms & Nixon, 2010). SWOT analysis is a valuable

method in futures studies, especially for strategic foresight, when an organization needs to understand what approach to take given the identified potential futures. By systematically examining internal and external factors with SWOT, organizations can formulate strategies that helps them manage uncertainty.

The internal components of SWOT analysis focus on strengths and weaknesses. Strengths are capabilities that give an organization competitive advantages or enable it to pursue strategic goals effectively. Technological expertise, a skilled workforce, a strong brand, efficient operational procedures, proprietary patents, copyrights, or trademarks, are all examples of internal capabilities. Identifying strengths provides a company the ability to capitalize on these even more when pursuing opportunities and mitigating threats.

Weaknesses are areas where an organization may underperform, or lack necessary resources. This could involve outdated technology, skill gaps among staff, limited financial resources, inefficient systems, or weak brand perception. Identifying weaknesses is crucial for organizations to address internal challenges that could impede their success.

The external elements of SWOT are opportunities and threats in the organization's business environment. Opportunities are most often external factors that the organization can use to reach its objectives faster. It could for instance be; untapped markets, technological breakthroughs, favorable regulatory changes, or trends in consumer behavior that open unexpected areas of growth and innovation. By recognizing opportunities, organizations can align their strengths to exploit these favorable conditions.

Threats are external factors that could negatively impact the organization. New competitors, disruptive technologies, groundbreaking innovations, downturns in the economy, changing regulations, consumer behavior and negative societal trends are all examples of what could be considered external threats. By understanding these threats, organizations can develop strategies and actions to protect their interests.

According to Helms and Nixon (2010), SWOT analysis remains a relevant and effective tool for strategic planning when used appropriately. They note that the simplicity of SWOT analysis allows for great flexibility and can therefore be applied across many different industries and organizational contexts. Helms and Nixon (2010) also suggest a bit of caution. The effectiveness of SWOT analysis is highly dependt on the information quality and the objectivity of the insights from the analysis. Organizations must engage in thorough research, and try to avoid biases, to derive meaningful insights when using SWOT analysis. To complement SWOT analysis, impact analysis is used to evaluate both the magnitude of the potential impact, and the likelihood of a future scenarios to unfold. Using SWOT and Impact analysis together gives organizations valuable input when prioritizing strategic actions on how to leverage opportunities or mitigate threats, thus actively shaping their desired future.

3.7 Action development with backcasting

The insights gained from the scenario development can be, with great advantage, used as a basis when crafting a new strategy and preparing for specific future scenarios. This could involve identifying actions that could work across multiple scenarios, or developing fallback plans for wild cards and black swan events. We can never predict with certainty what will happen in the future, and that is never the goal with future forecasting, but we can make sure to be prepared for various scenarios with the help of flexible and resilient strategies, following a “better-safe-than-sorry” approach. This is were backcasting comes in.

To create these strategies and actions, backcasting is a planning method that uses the desirable future as a target goal. Unlike conventional forecasting methods, which project current trends forward in order to predict future developments, backcasting focuses on a preferred future state and then strategists work backwards, determining how to attain this future state (Inayatullah, 2008). According to Sohail Inayatullah's "Six Pillars" method for futures thinking, backcasting aligns with the pillars of "Transforming the Future" and "Creating Alternatives" (Inayatullah, 2008) as it enables organizations and individuals to go beyond passive acceptance of probable futures, by designing and implementing pathways toward the preferred futures.

There are several steps to backcasting. The first is having a vision of what the future can be. Next, the current state is examined to determine what the gaps are between today, and the future envisioned state. This analysis allows us to identify any blocking factors, unrealized opportunities, or resources that can help progress toward the scenario. Then strategists work backward from the future vision to the present day, mapping out possible chain of events, decisions, and actions that might lead up to the scenario. This backward process also help in determining which interventions, policy changes, technological advancements, and organizational transformations that is needed to occur to achieve the future scenario. The final step is to turn the theoretical timeline of events into an action plan. This action plan describes the practical steps, activities, deadlines and assigned responsibilities.

When trying to solve problems that require profound changes in the current trajectory of an organization, backcasting can be particularly effective. It encourages creative thinking and opens possibilities that may not emerge through traditional forecasting methods. Inayatullah (2008) points out that backcasting is not just a planning technique, but also a method of deep reflection on underlying assumptions and worldviews. This reflection, in turn, enables organizations to shift from predicting the future, to creating it, harnessing strategic foresight's transformative potential.

4 Results & Findings

After Environmental scanning, signals were gathered on a Miro board (Figure 2) and clustered into different themes to find patterns and similarities.

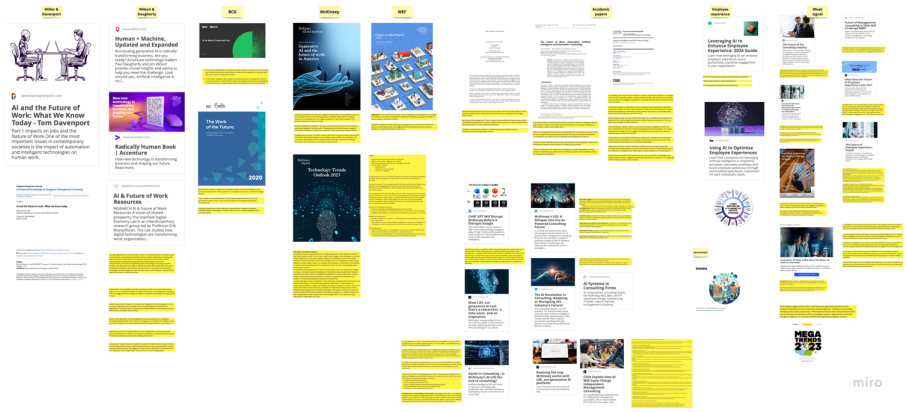

Fig 3 - An extract of an early stage signals collection, gathered in Miro

Once I felt I had enough signals, I used the STEEPLED framework to categorize and describe these signals and how they could affect possible futures. I also noted potential black swan events per the STEEPLED category to deepen the analysis further. The STEEPLED and Futures Triangle categorization of signals are described below:

4.1 Environmental scanning - STEEPLED & Futures Triangle

SOCIETAL	
Rising concerns over Job displacement	There is a rising public fear that AI technologies will lead to job losses, causing massive unemployment rates and social unrest. This concern pressures companies to carefully consider the workforce implications of AI adoption. Businesses are expected to develop strategies to augment human roles with AI rather than replace them. Upskilling programs that help employees adapt to new technologies become increasingly important.
Growing AI literacy among the public	Education initiatives and media coverage improve the public's understanding of AI technology's capabilities and limitations. The increased AI literacy sets the bar higher on expectations of more advanced AI solutions and the level of advice from consulting firms.
Public demand for transparency in AI decision-making	As AI systems increasingly influence important decisions, the public demands more transparency in how these models work. The need for "explainable AI" impacts trust in technology and affects adoption rates. Management consultancies must see to it that the AI tools and solutions they provide are transparent and easy to understand.

Cultural acceptance of AI assistants and automation	Social attitudes toward AI assistants and automation are becoming more and more positive as general AI adoption in daily life activities increases. This cultural shift allows for smoother integration of AI technologies into consultancy services and client operations. As a result, management consultancies witness expanded market opportunities, as clients are less resistant to implementing AI in their business processes.
Social movements advocating for Data privacy	Social movements demanding stronger data privacy protections are rising, reflecting public concerns about how personal and corporate data is collected, stored, and used. This increased focus on data privacy affects how management consultancies handle data, requiring stricter compliance with data protection regulations and ethical standards.
Black Swan: Global shift in public opinion Towards AI	An unforeseen and dramatic shift in global public perception of AI, triggered by a major event, could drastically alter AI adoption. If AI achieves monumental success, such as curing a widespread disease, public enthusiasm could surge and accelerate adoption in organizations and society. In contrast, if AI causes a catastrophic failure causing harm, public trust could plummet, leading to resistance against AI technologies.
Black Swan: Societal movement against automation	A global movement advocating for the preservation of human jobs over automation emerges, causing mass protests and boycotts against companies that build and deploy AI. This forces companies and governments to pause or revert AI implementations to protect employment. Management consultancies will need to balance technological advancement with job preservation, which would affect the service offerings.

TECHNOLOGICAL	
Advancements in quantum computing	Advancements in quantum computing increase computational power in a major way. Complex datasets can now be processed much faster, solving problems that previous computers would not be able to handle. This revolutionizes AI services for management consultancies through new analytical capabilities.
Rise of automated machine learning	The rise of AutoML tools makes it easier to create machine learning models, enabling non-experts to develop AI solutions with little coding experience or specialized knowledge. The democratization of AI technology allows clients to implement AI solutions in-house, that could handle tasks previously done by consultants.
Development of explainable AI (XAI)	Explainable AI (XAI) increases transparency on how AI performs with regard to decision-making. This makes it easier to interpret how AI systems reach their conclusions. As clients and regulators demand greater transparency for compliance and ethical reasons, developing XAI becomes essential. This development help management consultancies build trust with clients by providing AI solutions that are not "black boxes" but offer clear, interpretable insights.
Advancements in natural language processing	Innovations in natural language processing have made it possible for AI systems to understand and interpret human language on a whole new level. This generates improved data analysis capabilities through unstructured data processing, more effective communication with clients through AI agents, and the automation of routine documentation tasks.

Growth of cloud-based AI services	As cloud-based AI services gain adoption, advanced AI tools become more accessible and cost-effective for businesses, by removing the need for large upfront investments in hardware infrastructure. This makes it easier for companies to adopt AI since they can choose cost-efficient services independently. It also creates opportunities for management consultancies to develop innovative service models, such as offering expertise in integrating cloud AI solutions, managing hybrid infrastructures, and providing ongoing support and optimization.
Black Swan: Beakthrough in Artificial General Intelligence (AGI)	Artificial General intelligence is reached. AI systems now exceed human intelligence across various tasks which transforms multiple industries overnight. For management consultancies, this can mean both efficiency gains, but also a decrease in demand for their services. Such a breakthrough might raise ethical and safety concerns, potentially leading to public fear, calls for a temporary halt on AI research, and stricter regulations.
Black Swan: Global cybersecurity catastrophe	A massive cyberattack reveals vulnerabilities in AI systems and severely disrupts critical IT- infrastructure worldwide, resulting in a loss of trust in AI technologies. This forces companies to enforce stricter security requirements and tighter regulations. As a result, there is a general reluctance toward adopting AI. Management consultancies would encounter difficulties in advocating AI solutions, requiring a shift in focus toward cybersecurity expertise, risk management, and assisting clients in rebuilding trust in AI through secure and solid implementations.

ECONOMICAL	
Cost reduction pressure on businesses	Businesses are facing intense competition, pressured to cut costs and improve efficiency. This drives companies to adopt AI to automate processes and enhance productivity. Some of the tasks previously performed by management consultants are now handled by AI systems.
Global economic growth - Appetite for investments	Continuing global economic growth results in higher revenues and larger investment budgets. Companies are more inclined to allocate funds for strategic initiatives (e.g hiring management consultancies for large-scale AI projects). The favorable economic climate allows consultancies to broaden their service offerings and invest in advanced AI technologies.
Increased investment in AI startups	Risk appetite drives increased funding for AI startups fueling innovation. New tools, platforms, and applications enters the market in a fast pace. New competitors and disruptors providing management-like services also emerge, which could impact established management consultancies.
Black Swan: Severe global recession or depression	A sudden global economic collapse causes a major downturn, greatly reducing available capital and shrinking corporate budgets. Companies become risk-averse, cutting back on research and development and scaling down technology investments to conserve resources. This slowdown affects AI development and adoption, leading to a decrease in demand for AI-related consultancy services.
Black Swan: Hyperinflation of technology costs	A sudden spike in the cost of technological components and energy needed for AI development—possibly due to supply shortages, trade restrictions, or rapid inflation—has made AI solutions prohibitively expensive. This increase hinders progress in AI because both consultancies and clients may find it financially unviable to invest in or maintain AI technologies.

ENVIRONMENTAL	
Energy consumption of data centers	Data centers delivering energy to AI systems consume a vast amount of energy, driving up operational costs and carbon emissions significantly. This draws the attention of regulators, environmental activists and the public with climate-change concerns. Energy-efficient AI solutions will be key to overcoming these problems, which is why management consultancies must prioritize them.
Regulations on carbon emissions	Governments and environmental organizations are pushing for stricter regulations to reduce carbon emissions to combat climate change. These regulations impact both the speed of which AI is developed, but also the general adoption rate in organizations.
Corporate sustainability commitments	More and more corporations commit to sustainability targets, like reducing carbon footprint, net-zero emissions, or meeting environmental, social, and governance (ESG) benchmarks. This trend increases the need for AI solutions that are energy efficient. Management consultancies are ideally placed to provide services that help organizations meet their sustainability aspirations.
Advancements in Green Technology	Green technology innovations, such as energy-efficient computing hardware, renewable power sources and advanced cooling systems for data centers, allow for more sustainable AI usage. This helps management consultancies to offer sustainable technologies as part of AI solutions in their service line.
Public demand for environmental accountability	Increasing public concern about environmental issues creates a growing demand for transparency and accountability from organizations on how their actions affect the environment. The pressure from society further shapes customer expectations and pushes companies to take the green route for AI projects. Consultancies need to be prepared to show how their AI offerings will drive progress in environmental sustainability by delivering data on energy efficiency, reducing their client's footprint, and ensuring that AI initiatives comply with government regulations and public expectations.
Black Swan: Breakthrough in sustainable energy technologies	A revolutionary discovery of a cheap, limitless, and clean energy source dramatically transforms the global energy landscape. This breakthrough eliminates energy constraints for AI development and operations, making concerns over energy consumption and carbon emissions obsolete. This accelerates AI progress by removing previous limitations related to energy costs and environmental impact.
Black Swan: Catastrophic climate event	A global environmental catastrophe, a massive ice sheet erosion, earthquake in San Francisco, or a volcanic eruption, leads to the disruption of key global economies. Priorities lie now in survival and the rebuilding of vital infrastructure. Resources and attention are shifted from AI development as governments and businesses focus on addressing the urgent needs arising from the catastrophe.

POLITICAL	
Government Investment in AI and tech infrastructure	Governments are boosting their investments in AI research, development, and technological infrastructure. This provides better networks, increased internet speed and the construction of more data centers. Enhanced infrastructure improves consultancies' capacity to provide advanced AI services more efficiently to all clients, fostering additional growth in the AI sector and the overall economy.
Political focus on digital Sovereignty	Governments stress digital sovereignty to safeguard national data and technology infrastructure. This focus may lead to stricter data localization laws and increased cybersecurity requirements, potentially restricting how and where data can be processed and stored. Management consultancies operating internationally must adapt to different national regulations, which can raise operational costs and complicate service delivery across various jurisdictions.

Geopolitical tensions affecting global trade	Rising geopolitical tensions and trade disputes between countries create global complexities for management consulting firms. These tensions can lead to tariffs, sanctions, or restrictions on specific technologies, disrupting international client relationships and supply chains. Consulting firms may encounter difficulties in accessing certain markets, collaborating with international partners, or implementing AI solutions across borders.
International collaboration on AI ethics	Global efforts to create common ethical guidelines and standards for AI development is emerging. These guidelines cover AI ethics, data privacy, algorithmic transparency, bias, and accountability. Management consultancies are forced to comply with these new ethical standards.
Black Swan: International ban on AI development	In a rare and drastic move, major nations agree to halt AI research and development because of growing ethical and security concerns, such as fears over autonomous weapons and job loss due to automation. An international ban would create legal barriers that prevent further AI advancement and deployment. This scenario would change the business landscape for management consultancies by reducing the demand for AI services.

LEGISLATION	
New data protection regulations	New data protection regulations, such as GDPR in the EU and the CCPA in the U.S., inflict requirements on how personal and sensitive data is collected, processed, and shared. These data protection regulations directly impact management consultancies' data-handling practices on AI projects.
AI-specific legislation	Governments and regulatory authorities are pushing to implement AI-focused legislation to address the concerns around ethical use, transparency, accountability and safety of all users of AI systems. These laws mandate AI algorithms to be interpretable, unbiased, and ethical. These laws and regulations heavily influence how AI is developed and deployed.
Environmental regulations impacting tech use	Environmental regulations designed to reduce carbon emissions and energy consumption affect the use of energy-intensive technologies, including certain AI systems that require large computational resources. These regulations may limit energy use, impose carbon taxes, or establish energy efficiency standards. For management consultancies, this entails adapting AI solutions to become more energy-efficient by optimizing algorithms, adopting greener technologies, or sourcing renewable energy for data centers.
Black Swan Enforcing extreme data privacy laws	The unexpected introduction of very strict data protection laws limits data availability for AI development. These laws could greatly restrict how both personal and non-personal data is handled, or it could create complex compliance requirements so that managing large datasets becomes impractical. This situation hampers AI progress, particularly in machine learning areas that depend on large volumes of data.

ETHICS	
Concerns over AI bias and fairness	AI biases are becoming more and more frequent, showcasing negative examples of bias toward race, gender, ethnicity, and socioeconomic status. This raises ethical concerns about how AI systems are trained and developed. The general trust in the output of AI systems is damaged among users and the public.
Demand for explainable and transparent AI	Regulators are experiencing an increased demand from organizations and the public for explainable and transparent AI systems, so that the outputs and decisions from of AI systems can be trusted. The lack of transparency has a negative effect on the general acceptance, trust and adoption of AI systems.

Black Swan: **AI ethics scandal**	An incident occurs where AI makes wrong decisions, resulting in the violation of privacy and causes ethical harm. This leads to widespread public outcry, prompts stricter ethical standards, and increases regulatory scrutiny for AI technologies. As a result, organizations become more reluctant to deploy AI solutions without thorough ethical evaluations.
Black Swan: **AI systems exhibit signs of consciousness or sentience.**	AI systems start to display behaviors interpreted as signs of consciousness or sentience. This unexpected development raises both ethical and philosophical questions about what rights AI systems have, what moral code they follow, and the need for new restrictions or guidelines on how to handle this new "entity". This development could lead to a halt in AI advancement as society tries to figure out how to deal with these challenges.

DEMOGRAPHICS	
Rise of Generation Z in the workforce	As Generation Z enters the workforce in large numbers, businesses are increasingly populated by digital natives who are comfortable with technology and have a strong understanding of digital tools, including AI. This demographic shift means clients may build internal AI capabilities, which could lessen their reliance on external consultancy services for standard AI solutions.
Digital natives becoming decision-makers	As digital natives rise to decision-making positions in organizations, expectations grow for adopting advanced technology solutions, including the latest AI applications. These leaders are more likely to see the strategic value of AI and to demand innovative, state-of-the-art solutions.
Increasing educational levels globally	The global increase in educational attainment, especially in technology and data science, means that clients might have more in-house expertise to manage AI initiatives. The role of external consultancies may thereby shift toward providing more specialized niche services that require deep expertise or offering strategic guidance on complex AI implementations.

In addition, signals were also added to the futures triangle to get a different perspective on the collected material.

PUSH OF THE PRESENT	
Technological advancements in AI	There are many concurrent innovations within the field of AI, including machine learning, natural language processing, and new AI models. AI solutions are becoming increasingly available to the general public, and AutoML and no-code platforms accelerate adoption in companies.
Economic pressures	Businesses are always seeking efficiency and cost savings through automation, creating a demand for AI solutions capable of automating more tasks than previously possible.
Societal trends and concerns	As AI is adopted by the public, clients are also becoming more knowledgeable about AI. This results in greater AI literacy and heightened expectations for advanced capabilities. There are rising concerns about AI overtaking jobs which prompts companies to carefully consider implementing AI systems.
Global events	The global digital transformation, which was accelerated by the pandemic, is speeding up the use of digital tools, including AI. AI is used to avoid or foresee disruptions or events affecting just-in-time supply chains, mitigating risks, and optimizing complex logistics.

Competitive market dynamics	More and more consultancy firms present service offerings and technology solutions connected to AI. This pushes all firms to invest in AI technologies and upskilling to stay competitive and meet the expectations of the market.
Regulatory Environment	New data protection regulations are enforced, requiring compliance of how data is managed and stored. Specific legislation for AI sets standards for how development and deployment are carried out.
Environmental Considerations	Public environmental concerns connected to energy consumption are driving the demand for more energy-efficient AI solutions. Companies with strong sustainability commitments are forced to choose greener technologies and potentially limit the usage of some AI services.
Workforce dynamics	A generation of digital natives, who are tech savvy since childhood, enters the workforce. This propels the adoption of AI technologies in companies. Deep technical skills will still be scarce, so companies compete over competence within AI development and data science.

PULL OF THE FUTURE	
Enhanced decision-making capabilities	AI models will help organizations to conduct advanced analytics and predictive modeling of the business. These new analytical capabilities support management in better decision-making and improving overall strategies.
Enhanced efficiency and productivity	Companies expect AI to be able to automate many repetitive cognitive tasks or tasks requiring analysis of large datasets. This will free up time for employees who can engage in other value-adding activities.
Personalized and innovative client solutions	AI takes personalization to a whole new level, offering highly customized insights and strategies to clients.
Thought leadership in AI-driven consulting	Consultancy firms imagine themselves at the forefront of knowledge around AI, enabling them to deliver cutting-edge advice, recommendations, and future forecasts about how to adopt AI and what comes next.
Augmented human intelligence	A future is envisioned in which AI complements human expertise, enhancing the consultants' capabilities rather than replacing them, which leads to improved performance and client satisfaction.
Resilience and adaptability	Shifts or disruptions in markets can be managed through resilient and adaptable strategies that AI models have predicted.

WEIGHT OF THE PAST	
Legacy systems and processes	Outdated technology infrastructure creates an incompatibility with new AI tools, causing technical integration challenges and resistance to change established IT practices, which hinders adoption.
Cultural and organizational barriers	Skepticism towards new technology exists in organizations, especially regarding AI, due to voiced concerns about reliability and trustworthiness. Fear of losing one's job to AI contributes to employee resistance.
Skill gaps	A lack of in-house AI expertise and capabilities hinders the development and implementation of new solutions. Organizations encounter difficulties in training and upskilling employees for new AI-related roles, creating barriers to adoption.
Economic factors	Business models based on human labor rather than automation complicate the transition to AI. Economic instability creates risk aversion, leading organizations to slow down investments in new technologies like AI.

Financial constraints	AI technology comes with a high initial investment costs, making ROI calculations difficult, which leads to investment hesitation. Organizations are cautious because the benefits and long-term returns on AI investments are unclear, which slows down adoption rates.
Technological limitations	Companies with a fragmented and siloed data architecture struggle to implement AI systems due to the high demands of fast data accessibility and quality. Concern regarding data security and data privacy also hinders adoption.
Regulatory and Compliance Issues	Regulative constraints limit the use of vital data for AI applications. Uncertainties about accountability for AI-driven decisions create confusion. These issues pose legal and ethical challenges that organizations must manage carefully.

4.2 Scenario development

After refining the signals using STEEPLED and the Futures Triangle, the next step was to create possible scenarios based on the accumulated knowledge and insights. To achieve this, a futures matrix with two dimensions was developed to help describe the scenarios. The first dimension is the speed of AI development, either accelerating or decelerating compared to the current state. Dimension two is the level of consultancy usage by companies, ranging from low (insourcing) to high (outsourcing). This resulted in a matrix with four different scenarios described as per figure 3.

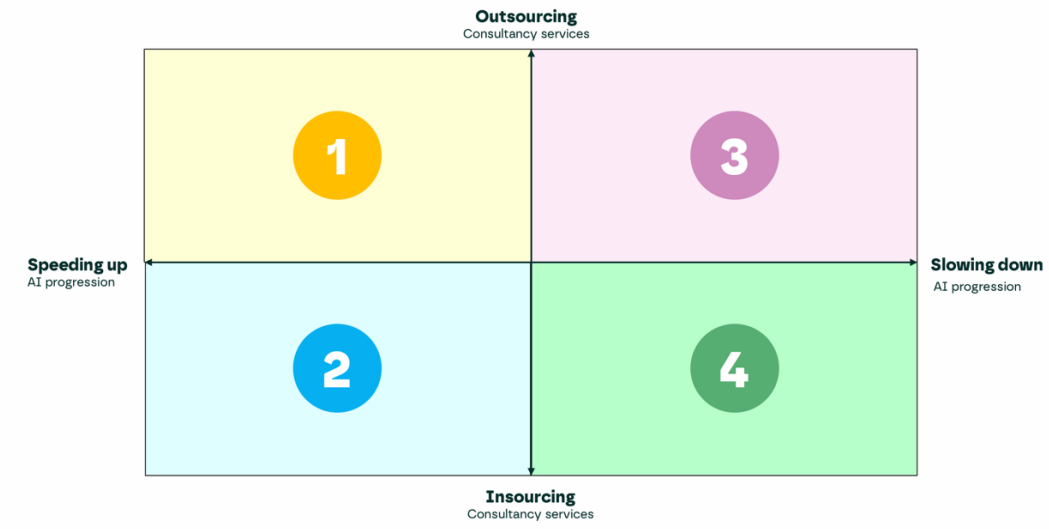

Figure 4 - Futures Matrix with the scenario dimensions chosen.

4.3 SCENARIO 1: "AI-powered consulting - pivoting to the new paradigm"

In this scenario, management consultancy firms have successfully infused advanced AI technologies into their core services, going into a new era of AI-enhanced consulting. Cutting-edge AI tools are used to provide sophisticated analytics, predictive modeling, and advanced strategic insights, that clients cannot produce in-house. The management consultancy firm's

unique value proposition is the combination of proprietary AI systems with expert human skills in the service delivery, offering new levels of insights and problem solutions.

Consultancy firm's focus still lies on complex problem-solving, strategic planning, market analysis, and high-level management decision support, all augmented by AI technology. Consultants become "AI-human interface experts," very skilled at prompting and translating AI outputs into actionable business strategies and problem solutions. Consultancy firms maintain their role as appreciated external advisors, which reinforces their position as providers of industry best practices and cutting-edge knowledge in the fast-moving technological landscape.

Competitive edge

The competitive edge for consultancy firms will firstly be their proprietary AI tools and platforms, and, secondly the deep expertise in AI implementation. The most successful firms will create ecosystems of AI platforms that are continuously updated and trained on new data from each client project, which improves their predictive abilities and advice over time. The competitive advantages can be summarized as:

- Having the ownership of advanced AI capabilities in-house, both AI algorithms/models and platforms.
- Consultants who are highly skilled at understanding AI, interacting with it, and interpreting the output and insights so that they can be applied creatively to client challenges.
- The level of integration between consultants and AI systems. Having AI-augmented consultants who can deliver tailored, actionable strategies.
- Creating an ecosystem of AI platforms that learn from each engagement, enhancing predictive capabilities over time.
- The business model is flexible to evolve with new developments in AI technology. This could for instance be AI-as-a-service offerings.
- The focus and investments that firms make in AI technology, upskilling of consultants, and acquiring new talent, create barriers for competitors.

Implications for the Management consulting industry

AI becomes a gamechanger in the business environment and to keep up with new demands, the consulting industry needs to transform in a major way. There is intensified competition amongst consultancy firms who all are racing to offer superior AI tools, platforms, and consultancy services connected to these. This accelerates consolidation within the industry, as smaller consultancies struggle to stay ahead because of the high costs of developing and maintaining advanced AI models. Mergers and acquisitions are common, with larger firms absorbing niche players to enhance their AI capabilities. As standard industry practices

change and adapt to AI methodologies, benchmarks for service delivery, as well as client expectations, also change. Firms that fail to adapt to this environment run the risk of going out of business, while those that incorporate AI fully gain a competitive advantage. New service offerings and revenue streams are appearing, like “AI consulting”, “AI tool development”, “AI agent configuration” and “AI training”. Regulatory and ethical considerations have come into focus, with the industry needing to handle issues related to data privacy, Ai bias, and ethical considerations when deploying AI. The scope of management consultancy expands beyond the traditional consulting tasks, now including AI development strategy and its application across multiple sectors.

Organizational implications

Firms undergo organizational restructuring to integrate AI in all aspects of their services. Cross functional teams are created, which combine consultants with different skill sets; data science, data analysis, prompting, and strategy. These teams leverage each other’s competence and are augmented by AI capabilities. The business model of management consultancy firms shifts towards offering high-value, AI-enhanced consulting services with a subscription-based fee model for using their proprietary AI platforms, AI agents, and knowledge bases.

Firms make substantial investments in AI infrastructure, proprietary platforms, AI agents, and talent acquisition. All needed to stay ahead in the competitive landscape of this scenario. It’s a highly competitive market for consultancy firms so the marketing efforts tend to focus on thought leadership in AI-driven consulting, emphasizing their innovation capabilities, know-how on AI implementation, and cutting-edge solutions that clients cannot produce themselves.

The organizational implication:

1. Business model will shift towards offering high-value, AI-enhanced consulting services, including subscription-based models or proprietary AI platforms.
2. Pricing reflects the premium nature of AI-enhanced services, utilizing value-based pricing or retainer models.
3. Large investments in AI infrastructure, proprietary platforms, and talent acquisition will be made.
4. New market positioning as an industry leader in AI-driven consulting, focusing on innovation and cutting-edge solutions.
5. Deeper collaboration with clients, offering solutions they cannot replicate internally, reinforcing dependency on consultancy services.

Implications for employees

Consultants must develop a skill set that combines deep business insight with solid

technological understanding. Key areas to become proficient in for consultants will be AI tools, AI agent configuration, data science, and AI technology integration. Interpreting the sometimes complex output from AI models and translating them into strategic business insights will be a core competency. As a consultant, you need to adopt a mindset of continuous learning to succeed, as it becomes extremely vital to keep up with the pace of new AI technologies and methodologies. Apart from the technical aspects, ethical awareness will also be a key skill to obtain. Consultants should understand the ethics involved in using AI, including the potential biases and hallucinations that can occur, so that the deployment of AI solutions is done in a responsible way. Soft skills like creativity and critical thinking will of course also be necessary to provide a human touch to the AI-generated recommendations. The role of the consultant will tend to focus more on the client relationship and conveying complex AI recommendations in a coherent and understandable way, so excellent communication and presentation skills will always be a must-have for consultants.

To summarize the essential knowledge and skills:

1. AI Proficiency and understanding AI tools, data science, and technology integration.
2. Ability to interpret complex AI data outputs and translate them into strategic business insights.
3. Commitment to ongoing education and continuous learning to keep pace with the evolving AI capabilities.
4. Understanding ethical considerations in AI usage, including biases and limitations.
5. Enhanced creative thinking to add human insight to AI-generated strategies.
6. Communication skills to explain complex solutions or recommendations to clients

Drivers pushing for this scenario

In this scenario it is assumed that the development of AI capabilities will progress rapidly over the coming years. Clients will need more resources or expertise to develop comparable AI capabilities internally, and a favorable regulatory environment will support AI innovation and development.

- **Societal:** AI literacy among the public is growing, along with cultural acceptance of AI assistants and automation in business decision-making.
- **Technological**: AI development reaches human-level general intelligence (AGI) and breakthroughs in quantum computing exponentially increase AI processing power.
- **Environmental**: Tech companies are investing in green energy to power AI operations sustainably and advance sustainable energy technology.
- **Economic:** The global economy is recovering with positive growth, driven by increased investments in AI startups and innovations.

- **Political**: Government investments in AI development and AI literacy in society and education.
- **Legislative**: Favorable regulatory environment supporting AI innovation, development, and usage.
- **Ethical**: All businesses implement and adhere to ethical guidelines for AI usage.
- **Demographics**: Rise of Gen Z in the workforce, who are digital-native and comfortable with AI technologies.

Potential black swan events pushing for this scenario

- Global shift in public opinion - "AI saves lives"
- Quantum computing breakthrough.
- Artificial general intelligence is reached.

Uncertainties

- Potential new regulations that could restrict AI use or impose strict compliance requirements.
- Ethical concerns such as public backlash over AI biases or misuse could erode trust in AI-driven solutions.
- Unforeseen technical challenges could slow down AI advancements.
- Global economic downturns could reduce client spending on consultancy services.
- Clients developing comparable AI capabilities internally could reduce reliance on external consultants.

Probability assessment

The rapid advancement of AI forces management consultancy firms to integrate advanced AI into their services and operations. This enhances their offerings and their role as indispensable advisors is maintained. The probability of this scenario is High (probable), and the arguments supporting this are:

- AI and machine learning technologies continue to advance rapidly, with few obstacles to innovation. Over the next six to eight years, AI capabilities will likely improve and become even more integrated into business services.
- Management consultancy firms invest heavily in AI to augment their services. Firms like McKinsey, BCG, and Deloitte are incorporating AI-driven analytics and tools to support their consultants and improve project efficiency.

- Clients increasingly seek data-driven insights and value AI-enhanced solutions that offer competitive advantages.

This scenario is preferable for consulting firms since it allows them to enhance their services, remain competitive, and meet evolving client needs. The scenario is also plausible and probable, with few barriers preventing it.

4.4 SCENARIO 2: “Management consultancy disrupted - forever?”

In this scenario, rapid advancements in AI have made sophisticated tools widely accessible and affordable to all types and sizes of organizations. AI applications built on open-source platforms with user-friendly interfaces and competitive pricing have democratized AI technology. This enables clients to handle tasks traditionally performed by management consultants internally. Companies build internal AI capabilities, using these tools for data analysis, market research, strategic planning, and operational improvements.

As a result, management consultancy firms experience a substantial decline in demand for traditional consulting services. Firms previous value proposition of providing external expertise is now to the most part covered by clients' internal AI capabilities. To remain relevant and competitive, consultancy firms offer specialized niche expertise that complements clients' internal capabilities. They shift to roles such as AI integration specialists, trainers, innovation strategists, and advisors in areas where clients need more proficiency, such as complex change management, handling regulatory environments, and addressing ethical considerations of AI use.

Consultancy firms transform into partners in their clients' journeys towards digital transformation, providing guidance, support, and specialized knowledge rather than traditional consulting deliverables. They assist clients in developing their internal AI capabilities, offer training services, and help manage the organizational changes associated with AI integration. The firms' "raison d'être" evolves into empowering clients to harness AI effectively while providing expertise in complex, non-automatable areas that still require human insight and experience.

Competitive edge

The competitive edge for management consultancy firms in this scenario is their ability offer specialized expertise, industry knowledge and AI implementation best practices, that clients can´t reproduce in-house themselves. Firms differentiate by focusing on areas where clients need more proficiency or where human insight is indispensable. These include:

- Expertise in complex change management, guiding clients through organizational transformations associated with AI integration.

- Assisting clients in identifying new opportunities and innovating beyond the capabilities of AI tools.
- Providing insights on how to handle complex regulatory environments and addressing ethical considerations of AI use.
- Helping clients educate and upskill their workforce on how to use AI tools and how to use them in the best manner possible.

Consultancy firms shift towards partnership business models, emphasizing collaboration and long-term relationships. They may adopt flexible pricing models, such as subscription services for training and support or project-based fees for specialized consulting engagements.

Implications for the Management consultancy industry

It is becoming more difficult for consultancy firms to sell and market their services. Never before has the industry experienced such a steep and fast decline in the demand for consulting services. Clients have come to realize that AI tools can be used for many tasks previously performed by consultants. Opportunities for selling consultancy services still exist, but in specialized, niche areas. In this scenario, the competitive landscape changes, and firms have to differentiate their offerings for flexibility, domain expertise, and ability to complement clients' internal capabilities with external capabilities. A wave of consolidation of firms happens in the industry because of the reduction in service demand. New firms do appear, who offer very specialized services or innovative business models, trying to capitalize on untapped niches that the major consultancy firms are not yet covering. The boundaries to what is considered management consulting is blurred when technology companies and training providers also enter the market. Overall, the management consultancy industry is transforming and firms must be agile, innovative, and client-centric to succeed in when AI democratization empowers clients to handle many tasks independently.

Organizational implications

The new reality that consultancy firms face with weakened demand for their services, drive them to do organizational restructuring. The focus is shifted from traditional consulting services to providing more specialized expertise and support in niche areas where clients still haven’t the skills and know-how internally. The business model is redesigned to prioritize training, education and advisory services in these niche areas. Specialization is yet again needed to stay relevant, and investments are made in developing proprietary methodologies and tools to enhance offerings, and the pricing strategy is adjusted to account for these services. Various forms of subscription models for ongoing support and training are tested, accompanied by value-based pricing for high-impact advisory. Firms emphasize continuous learning and development to have their consultants remain at the forefront of specialized knowledge. Marketing and client engagement strategies focus on building long-term partnerships, positioning the firm as a trusted training partner, advisor and collaborator in the client's AI journey.

Drivers pushing for this scenario

This scenario assumes that AI capabilities will continue to progress rapidly over the coming years. Clients will focus on insourcing expertise to develop AI capabilities internally, and a favorable regulatory environment will support AI innovation and development.

- **Societal:** AI literacy is growing among the public, and AI assistants and automation in business decision-making are culturally accepted. Social movements advocating for data privacy are forcing companies to develop internal AI capabilities.
- **Technological:** AI development has reached the goal of achieving human-level general intelligence (AGI) with breakthroughs in quantum computing, which exponentially increase AI processing power. The growth of cloud-based AI services enables clients to leverage AI capabilities without costly infrastructure investments.
- **Environmental**: Corporate sustainability commitments encourage companies to manage their AI models and improve efficiency while advancements in sustainable energy technology continue to emerge.
- **Economic:** Cost-reduction pressures push businesses to internalize services and reduce consultancy support. As the global economy recovers and generates growth, companies can make investments.
- **Political:** Governmental investments favor AI development and AI literacy in society and education. There is a political focus on digital sovereignty, emphasizing the need for data control and in-house AI development.
- **Legislative:** A Favorable regulatory environment supporting AI innovation, development, and usage has been activated. New Data Protection Regulations encourage companies to internalize AI tasks to control sensitive data and secure compliance.
- **Ethical**: All businesses implement and adhere to ethical guidelines for AI usage.
- **Demographics:** Rise of Gen Z in the workforce, who are digital-native and comfortable with AI technologies.

Black swan events pushing for this scenario

- Global shift in public opinion - "AI saves lives".
- Quantum computing breakthrough.
- Artificial general intelligence is reached.

Uncertainties

- Potential limitations in AI technologies that may prevent clients from fully internalizing consultancy tasks.

- Insufficient availability of skilled AI professionals may hinder clients' ability to build internal capabilities.
- New regulations could enable or restrict clients' ability to adopt AI internally.
- Economic downturns may limit clients' investments in internal AI capabilities.
- Risks associated with data breaches or AI system vulnerabilities could affect clients' willingness to adopt AI internally.

Probability assessment

In scenario number 2, management consultancy is disrupted permanently. AI tools are now available and can be easily integrated into clients' environments and work processes. Clients can therefore perform tasks internally that traditionally have been outsourced to consultants. This reduces the need for traditional consultancy services. The likelihood of this scenario to unfold is moderate to high, making it plausible, and the arguments that drive this scenario are:

- The democratization of AI is underway, with more accessible AI tools and platforms becoming available to non-experts.
- Businesses are always looking to reduce costs, and insourcing could be appealing if AI tools enable them to do so effectively.
- As the workforce becomes more technologically adept, companies may have the internal capability to leverage AI without external help.

The counterarguments to this scenario unfolding would be that successfully implementing AI solutions requires expertise that may be limited internally, and management consultants offer data analysis, strategic insights, and experience that are hard to replicate.

Preferable, Plausible, Possible

This scenario is not preferable and threatens traditional consultancy firms by reducing service demand. Given current technological trends, it is plausible and possible, fueled by companies streamlining and efficiency initiatives, to reduce costs and maximize profit. There are challenges, but no insurmountable barriers to this scenario.

4.5 SCENARIO 3: "Business as usual – AI is a hype"

In scenario number three, the development of AI technologies have progressed slowly. AI tools are available, but they have not yet proven themselves to possess the sophistication needed to replace human judgment fully in solving complex consulting tasks. Management consultancy firms continue to thrive by offering services that rely heavily on human expertise, intuition, and judgment. These firms concentrate on tasks requiring a mix of creativity,

strategic mindset, emotional intelligence, and complex problem-solving skills, areas where AI is falling short so far. Consultancy firms continue promote their ability to manage uncertain business environments, offer nuanced and context-specific advice, and address complex, non-routine problems that demand in-depth industry knowledge and human insight. Their primary services include change management, leadership development, organizational restructuring, cultural transformation, and crisis management. They excel in providing deeply personalized, relationship-driven consulting that assists clients when handling uncertainty and complexity.

The value proposition centers on consultants' unique ability to understand client nuances and deliver tailored solutions that AI cannot replicate. Consultancy firms make large investments in developing and retaining top talent, positioning their consultants as indispensable strategic advisors. While basic AI tools—such as data visualization and simple analytics—support their work, they enhance human capabilities rather than replace them. Clients value the personalized approach and the lasting importance of human relationships in an increasingly complex business landscape.

Competitive edge

The competitive advantage in this scenario is the consultancy firm’s in-depth industry knowledge and highly skilled consultants. What sets firms apart is their consultants' knowledge and experience, the proven methodology to solve complex issues, and best practices in managing complex business environments. The hallmarks of consultancy firms continue to be human creativity and experience, which are used to solve tough business challenges. These firms have an advantage because they provide tailored solutions that AI cannot replicate. They excel at delivering customized consulting services that address the client's specific challenges and needs. To stay ahead in the competitive landscape, firms build and maintain a solid network of industry experts, using a business model that focuses on premium consulting services, relying on human judgment and strategic thinking, where pricing strategies reflect the high value of personalized human support expertise.

Implications for the Management consultancy industry

The management consultancy industry remains stable and experiences steady growth. Clients are still leaning towards using traditional consulting services based on human insight and creativity, over automated analysis and recommendations performed by AI. Competition within the industry relies on reputation, experience, and service quality rather than technology capabilities. The competitive edge continues to be the ability to form good client relationships and add creativity and strategic thinking to complex problem-solving. The industry prioritizes long-term client relationships through personalized service, which fosters loyalty and repeat business. Firms may become too comfortable with the status quo, and it could make them vulnerable if AI technology suddenly accelerates, or if new competitors emerge with innovative approaches. Attracting new talent interested in cutting-edge

technologies may require extra effort, as younger professionals might prefer industries perceived as more technologically advanced.

Organizational implications

Consultancy firms follow traditional organizational structures, primarily valuing human capital as their key asset. Firms invest heavily in competence development of their staff so that they have the skills and knowledge to handle complex client challenges. Training programs focus on leadership, communication, strategic thinking, and ethical principles. The business model is still based around providing high-value, personalized consulting services and firms rely on established pricing strategies (time-based billing, retainers, value-based fees) reflecting the premium nature of their services.

Implications for employees

The ability to think creatively and strategically continues to essential skills for management consultants. Acquiring and developing expertise in client relationship management will also continue to be a core skill, because building trust with clients is vital for being able to deliver personalized services, especially when the human aspect is highly valued. There will be an emphasis on the continuous development of these human-centric skills, over obtaining advanced technical expertise in for example AI. Consultants are encouraged to deepen their industry knowledge, stay updated on global trends, and cultivate the ability to adapt to changing client needs. The consultant's role remains dynamic and challenging, providing opportunities to impact client organizations through human insight and expertise.

Drivers pushing for this scenario

This scenario assumes that AI development will slow down in development speed and management consultancy firms continue to provide their services in the same manner as before. The scenario is fueled by growing skepticism toward AI-driven decision-making in complex situations, paving the way for human-centered approaches consulting.

- **Societal:** There are rising concerns about job displacement which puts pressure on firms to address workforce implications and prioritize solutions that augment rather than replace human roles. Skepticism towards AI-driven solutions reinforces the preference for human expertise in consulting services, where trust and confidentiality are paramount.

- **Technological:** Quantum computing development is not meeting expectations, and this contributes to the slow progress of AI.

- **Economic:** The economic situation is categorized as stable and growing with increases budgets for consulting services. The positive economic climate is beneficial for

management consultancies since companies continue to seek their advice.

- **Environmental:** Environmental concerns are raised due to the massive energy consumption of AI data centers. The enforcement of stricter regulations of emissions impacts the deployment of AI technologies, which has a direct negative effect on operational costs.

- **Political:** The global adoption and usage of AI are hindered by political restrictions on cross-border partnerships and knowledge exchange. Companies are increasingly dependent on domestic human expertise and traditional consulting services. This makes access to global AI innovations and talent harder to obtain.

- **Legislative**: New data protection regulations affect how data is managed in projects related to AI, which can cause compliance issues. The legal complexities and risks related to data management and AI development make firms hesitant about investing in, adopting, and advocating for AI-driven solutions.

- **Ethical:** There are concerns about ethics in the adoption of AI. Firms prefer to rely on human judgment to guarantee clients' fairness, accountability, and avoiding AI biases or potential ethical pitfalls. Firms choose human centered approach to be able to provide transparent reasoning for their recommendations.

- **Demographic**: The aging workforce, particularly those in leadership positions, values traditional business methods and may resist adopting new technologies like advanced AI.

Black swan events that could push for this scenario

- Global AI catastrophe leads to a loss of trust in AI.
- A technological plateau in AI development due to unforeseen limitations.
- Global regulatory clampdown on AI due to ethical or security concerns.

Probability Assessment

The "Business as usual" scenario is influenced by a mix of societal skepticism towards AI, technological limitations, environmental concerns, stable economic conditions that favor traditional consulting, political and legislative barriers to AI adoption, ethical apprehensions about AI usage, and demographic trends that support established business practices. Together, these factors reinforce the reliance on human expertise in management consulting and slow the development and integration of AI within the industry. The probability for this scenario to unfold is low to moderate, with the arguments:

- Technological plateaus or setbacks are possible while AI is advancing.
- Many complex business challenges require human judgment, creativity, and emotional intelligence, which AI cannot fully replicate.
- Concerns over AI ethics, biases, and regulatory hurdles could slow AI adoption.

The counterarguments to “Business as usual” scenario would be that the current investment and development progress in AI makes a slowdown less likely and that clients may demand AI-enhanced services, pushing firms to adopt AI regardless.

Preferable, Plausible, Possible

The scenario is somewhat preferable since firms can continue their traditional models without disruptive changes. It is plausible (but less likely than Scenario 1 due to strong AI development trends) and possible, given that AI advancements are not impeded by legislation or black swan events.

4.6 SCENARIO 4: “DIY Consulting on the rise”

In this scenario, AI development continues slowly, and while technological advancements occur, they need to be more transformative to impact management consultancy services significantly. Companies have begun to insource management consultancy tasks. Driven by economic pressures, a desire for greater control over strategic processes, and skepticism about the value provided by external consultants, clients invest in building strong internal capabilities. Management consultancy firms face decreased demand for traditional consulting services as clients strengthen their internal teams for strategic planning, operational improvement, and change management. Organizations uses essential technology tools and rely on their own expertise, often developing internal "universities" and training programs to enhance their capabilities and foster continuous skill development. In response, consultancy firms start to focus on knowledge enhancement towards clients. Specialized upskilling trainings and knowledge transfer programs become the competitive edge. The value proposition shifts to offering cross-industry insights, packaged as training and upskilling initiatives. Consultancy firms continue to excel in creating and curating knowledge networks, organizing think tanks, to be able to provide high best practices for uncommon challenges that internal teams may still encounter.

Competitive edge

The competitive edge in this scenario for consultancy firms derives from their ability to offer specialized knowledge and services that clients need help to easily replicate internally. Firms that provide unique cross-industry insights foster innovation through the cross-pollination of ideas and offer high-level advisory services for unusual challenges stand out in the market. The business model is revamped toward knowledge enhancement, specialized training, and the creation of knowledge networks. Consultancy firms may develop proprietary tools and

methodologies they can license to clients or focus on niche areas where their expertise remains indispensable. Towards clients, the firms need to position themselves as thought leaders and niche experts with unique knowledge and perspectives, with the ability to identify new trends and their implications for clients' businesses.

Implications for the Management consultancy industry

The management consultancy industry shrinks in total due to lesser demand, resulting in increased competition for a smaller pool of external engagements. Some firms may consolidate or exit the market due to this decreased demand. To survive, there is a notable shift toward specialization amongst consultancy firms, focusing on niche areas where they can offer unique value, that clients cannot produce or generate internally. The boundaries between consulting and other professional services blur as firms diversify into executive education, leadership development, and tool licensing. The industry is forced to adapt to the changing landscape and review service offerings and business models, trying to demonstrate the unique value of external consultancy in an environment where clients are increasingly self-sufficient. For firms to succeed in this scenario they have to remain flexible in terms of offerings, invest in competence development, and use thought leadership to provide insights and services that complement clients' internal capabilities.

Organizational implications

Consultancy firms need to shift focus and restructure to put emphasis on efficiency and a more niched offering due to the changes in the business environment. The business model now includes alternative revenue streams such as licensing of proprietary tools, executive education, leadership coaching, and developing custom-made training programs. The pricing models is shifted toward value-based fees and subscription services. Firms prioritize building their knowledge and have a flexible organizational structure to be able to provide clients with education, training, and coaching. Marketing efforts focus on firms’ expertise, cross-industry insights, and ability to enhance clients' internal capabilities through training and knowledge transfer services.

Implications for employees

Consultants need to adapt by developing a deep specialization in niche areas and enhancing their skills in knowledge management, instructional design, and thought leadership. They become expert knowledge brokers and trainers with advanced abilities in content creation, network building across industries, and the capacity to identify and articulate new trends. Business development and networking skills become crucial, as consultants must build relationships and demonstrate the unique value they bring, beyond what clients can achieve internally. Consultants focus on developing competencies in knowledge management and curation, instructional design, and adult learning methodologies to effectively transfer knowledge to clients. They also improve thought leadership by creating insightful content and engage in cross-industry collaboration around innovation. The role of the consultant focus

more on facilitating knowledge transfer to clients through specialized training, enriching the clients' internal capabilities.

Drivers pushing for this scenario

This scenario assumes that AI development will slow down, but companies see the value in using AI to automate cognitive tasks previously performed by management consultants. A downturn in the financial market pushes companies to strive for cost-cutting and optimize their value-creation processes by using cost-efficient AI to automate cognitive tasks.

- **Societal:** A fear in society is spread that AI will replace human jobs. This creates unrest in amongst employees, which motivates companies to protect jobs by insourcing tasks, including consulting services. Data privacy is also a hot topic in media, pushing companies to take the safe route and manage these tasks internally to be compliant.

- **Technological**: Advancements in quantum computing are falling short of expectations, and technological stagnation is contributing to the slow progress of AI. While cloud-based AI services enhance accessibility, the slow overall development of AI means these services are not advanced enough to replace human consultants.

- **Economic**: Economic pressures compel clients to seek efficiency and reduce costs by bringing tasks traditionally outsourced to external consultants in-house. Insourcing consultancy services enable companies to control expenses and allocate resources more effectively.

- **Environmental**: Environmental concerns are raised due to the massive energy consumption of AI-data centers. The enforcement of stricter regulations of emissions impacts the deployment of AI technologies, which has a direct negative effect on operational costs.

- **Political**: Protectionist policies encourage companies to develop their capabilities internally, instead of relying on external consultants, particularly those from foreign entities. Companies insource of capabilities to a higher degree to align with national interests and live up to regulations.

- **Legislative**: Restrictions on cross-border data transfers complicate international operations and require data localization. Companies handle consultancy tasks internally to comply with regulations and maintain control over sensitive data. Companies prefer to keep consultancy tasks involving sensitive information in-house to reduce legal risks and stay compliant with regulations.

- **Ethical**: Companies manage data internally to uphold ethical standards and maintain control over consent mechanisms, which reduces their reliance on external consultants. Staying compliant with legal and ethical standards drives companies to keep decision-making processes in-house.

- **Demographic**: Clients who´s workforce now holds a higher educational level, allow companies to handle tasks previously outsourced to consultants, in-house to a higher degree. This trend supports the internalization of consultancy services. A tech-savvy and well-educated workforce enables companies to enhance their internal capabilities more effectively. As Generation Z, digital natives, join the workforce, organizations utilize their skills to strengthen internal consultancy teams, minimizing the reliance on external services.

Potential black swan events pushing for this scenario

- Global Economic Crisis Forcing Cost-Cutting Measures
- Major Scandal Eroding Trust in Management Consultancy Firms

Probability Assessment

Economic pressures, technological limitations, political shifts, and societal and ethical concerns contribute to the rise of "DIY consulting" scenario. Companies facing cost-reduction pressures and slow advancements in AI development, insource management consultancy tasks to manage expenses and improve strategic processes. Political and legislative factors push organizations to develop internal capabilities to comply with laws, regulations, and national standards. Fear of job displacement in society and an increased focus on data privacy has led companies to manage strategic tasks internally, helping them maintain control over data and protect employment. Ethical concerns of data handling, consent, and accountability also fuel the shift of internalization to meet ethical standards. An increased educational attainment and a more tech-savvy workforce allow organizations to build strong internal teams, reducing their dependence on external consultants. These factors lead companies to bring consultancy services in-house during slow AI development. Management consultancy firms must adapt to this scenario by focusing on upskilling and training consultants to enhance knowledge. They should also offer unique insights across industries that clients cannot produce themselves.

The probability of this scenario is low to moderate, with the arguments:

- Economic pressures push companies to seek cost savings by internalizing functions.
- Increased educational focus and a skilled workforce make insourcing more feasible.
- Technological innovations allow companies to boost their internal workforce using existing AI solutions, reducing the need for external consulting services.

Counterarguments for this scenario would be that management consultancy firms offer specialized expertise and cross-industry insights that are hard to replicate internally, even with AI support. Building internal consultancy capabilities can be expensive and may yield a different value than expected. Companies may prefer to focus on core competencies rather than developing consultancy functions within the existing workforce.

Preferable, Plausible, Possible

This scenario is not preferable because it would be unfavorable for consultancy firms due to reduced demand. It is possible, mainly driven by economic factors, but less likely to occur.

4.7 Summary of Scenarios

Most Probable Scenario: Given the current trends in AI development and innovation, client demand for advanced analytics and consultancy firms' investments in AI is unlikely to decrease in the foreseeable future. Scenario 1 is, therefore, the most probable scenario to occur over the next six years.

Most Preferable Scenario: Scenario 1 is also the most preferable scenario for management consultancy firms. This is because it will enable them to improve their service offering and internal efficiency, keeping them competitive and addressing the change in client needs.

Plausible Scenarios: Scenario 2 is plausible because AI tools are becoming more accessible, but it challenges traditional consultancy models. Given the progress of AI advancements, Scenario 3 is plausible but less likely. Scenario 4 is also plausible but less likely due to internal barriers to replicating existing management consultancy services in-house.

Arguments and Reasoning

Scenario 1 is probable and preferable mainly due to technological momentum, with AI advancing rapidly thanks to private and public investments. Firms are increasingly adapting to AI by proactively integrating it into their services by enhancing their value proposition. In this scenario, client expectations will focus on finding innovative, data-driven solutions that AI-enhanced consultancy can provide. Firms that successfully integrate AI can distinguish themselves and capture a larger market share scenario.

Scenario 2 presents several challenges. First, implementation is complex. Although AI tools are becoming more accessible, effectively utilizing them for strategic insights requires deep expertise. Another challenge is the value of an external perspective. Consultants provide an outside view and bring cross-industry experience that internal teams might need more.

Scenario 3 is influenced by several factors. First and foremost, the limitations of AI's; potential ethical issues, the occurrence of hallucinations, and the lack of explainability in

recommendations. There are also challenges connected to regulations and legislation which could hinder AI adoption. In scenario 3, the human element plays an important role since human judgment in handling complex problems will still be valued very highly. Despite these challenges, the strong push for digital transformation makes a slowdown in AI adoption unlikely.

Scenario 4 involves important considerations. Economic factors play a large role here as a severe decline in economic growth could push companies to reduce expenses by bringing functions in-house. Having a more skilled and technology-savvy workforce that can utilize AI systems, could also drive organizations to internalize some tasks previously performed by consultants. Nevertheless, consultancy firms' specialized expertise remains solid argument for continued use when it comes to education and training regarding niche knowledge.

4.8 Impact Analysis

Once the scenarios were described and analyzed in terms of probability, the next step was to create an impact analysis on the most probable and preferable scenario, Scenario 1 – AI-powered consulting. The impact analysis aimed to explore this scenario in greater depth to find implications and opportunities for the action roadmap.

Strengths: One of the key strengths of incorporating AI is that consultancy firms can enhance their service offerings in a totally new way. By using AI for advanced analytics, predictive modeling, and strategic insights, firms can increase the quality output and in turn, generate more value for their clients. Firms that adopt AI knowledge and practice early will be able to position themselves at the forefront of technology innovation. Operational efficiency can also be argued to be another strength. Having the ability to automate routine tasks through AI reduces operational costs and enables consultants to focus on higher-level strategic work. Creating more streamlined internal operations will, of course, have a positive effect on the bottom line in terms of profitability.

Weaknesses: When it comes to weaknesses, high investment costs are a big concern, as substantial financial resources are required when developing, implementing, and maintaining advanced AI systems. There is also the issue of a potential skill gap among the consultants. Consultancy firms will have to make investments in upskilling and training their consultants to understand and use AI fully in their roles. Hiring new talent with the necessary AI skills will also be necessary to stay competitive. An over-reliance on technology poses another weakness, potentially reducing emphasis on human intuition and weakening the firm's traditional consulting strengths. Building new AI capabilities also means that there could be an increased security risk, concerning cybersecurity and threats regarding data privacy that need to be managed.

Opportunities: The scenario presents several opportunities as well. There is potential for developing new service lines, such as offering AI consulting services that include strategy development, implementation support, and ethics advisory related to AI. Market expansion is also feasible, with the ability to enter new markets and industries that require advanced AI solutions, including international expansion. One way to go is to form partnerships and alliances. This could for instance be partnering up with a think-tank, university or AI-technology provider to create insights, best practices, and future forecasts. If the firm can establish itself as a thought leader within AI, it can solidify its position in the management consultancy industry.

Threats: Despite all these opportunities, there are of course threats that could have negative effects. The intense competition will likely increase as other firms invest in AI, which could erode market share. Regulatory challenges are another threat, as compliance with evolving AI regulations and ethical standards may pose legal risks and require the allocation of additional resources. The rapid changes in the technology landscape could render solutions obsolete, so frequent investments in both technology and upskilling will be necessary to stay up-to-date. Some clients could potentially have negative attitudes towards AI, stemming from trust issues connected to the output of AI models with regards to bias, fairness, or hallucinations – which should also be considered a threat.

4.9 Action roadmap and recommendations

After the impact analysis, I designed an action roadmap with recommendations using backcasting principles. The action roadmap was divided into short-term, mid-term, and long-term actions. The recommendations do not only revolve around the integration of AI technology in the service offering and in daily operations, but also around activities to change mindsets on how technology is adopted and used amongst consultants, which includes upskilling and talent acquisition activities. Management consultancy firms can use this action roadmap to navigate the gap between the present, and the desired future that they want to reach.

Short-term actions

In the short term, consultancy firms are laying the foundation for integrating AI into the service offerings and operational processes. This means focusing on taking action within strategic planning, cultural transformation, talent acquisition, technology adoption, organizational restructuring, and client engagement with regard to AI.

- **Strategic planning and vision setting**: The first step is to define a clear strategy on how to integrate AI within the firm, that also aligns with the overall vision and business goals. The strategy should be broken down into a detailed roadmap on how

AI could be introduced in both service offerings and operations. To aid the integration, specific measurable objectives for AI adoption should be implemented so that progress can be evaluated effectively. In this process, the management team should lead by example to show its commitment to the strategy. Acting as ambassadors and supporting the organization in the transition is very important to boost the adoption of the new technology and mindset. To achieve a smooth-running transformation and good adoption of AI within the workforce, a dedicated AI forum should be implemented, whose responsibility is to track the overall progress of the AI roadmap.

- **Cultural transformation initiatives**: For consultants to embrace AI in the daily operations, a shift in organizational culture and employee mindset is required. Firms should promote an innovation-friendly environment by communicating the importance of adopting AI and having a test-and-learn mindset. This includes encouraging openness to change and supporting experimentation with new ideas.
  Implementing change management programs can help manage resistance by involving employees in the transformation process. Providing platforms for feedback and facilitating open discussions to make certain that staff feel valued will support the change.

- **Talent acquisition and development**: To build AI capabilities, firms must assess the current skill gaps within their workforce. Conducting a skills audit helps identify deficiencies in AI, data science, and technology expertise. To address these skills gap, a recruitment plan needs to be put in place so that the firm can attain AI specialists with the right knowledge. To complement the acquisition of new talent, the existing consultants will also have to be upskilled to not fall behind in their development. Providing training programs on AI fundamentals will be necessary to give consultants with the basic skills. Having structured training programs, possibly with certifications and continuous learning opportunities, encourages professional development and helps retain talent.

- **Initial technology adoption**: Start by piloting AI tools that easily can be integrated into existing consulting projects. Identify and adopt tools that can enhance data analysis, create data visualization, or support consultants in their day-to-day tasks, increasing overall operational efficiency. Early achievements made possible with these tools can demonstrate the value of AI integration to consultants and become good sales arguments towards clients. Continuing to invest in IT infrastructure is necessary to secure that the firm's tech capabilities support planned AI initiatives in the roadmap.

- **Organizational restructuring**: To accelerate AI integration, firms may need to form interdisciplinary teams that combine the expertise of consultants, AI specialists, and data analysts. This collaboration leverages diverse skill sets to deliver enhanced services. Redefining roles and responsibilities so that team members understand their contributions to the AI strategy. Establishing an AI Center of Excellence dedicated to focused on AI research and development, and disseminating best practices throughout the organization.

- **Client engagement and education**: Communicating the value of AI to customers will be essential to create an understanding of the capabilities and opportunities of adopting this new technology. By showcasing the use of AI to get deeper insights, better efficiency, and generate valuable outcomes, curiosity and engagement can be generated for the firm's business offerings. Organizing inspirational workshops or educational webinars focused on AI, to explain the technology to clients, will address potential fears or doubts. By presenting real-world examples of AI use cases that drive positive business outcomes, trust can be gained, and the stage for wider adoption will be set.

Mid-term actions

Building on the foundation that was developed in the short-term period, mid-term actions focus on scaling up AI integrations, deepening internal capabilities, and expanding the market presence within AI-related service offerings. The mid-term is also about enhancing AI-services, developing proprietary technologies, strengthening talent strategies, forming new strategic partnerships, enriching client relationships, and exploring opportunities outside of the current region.

- **Scaling AI integration across services**: Firms should standardize AI-enhanced methodologies across all consulting services to utilize AI fully. Having consistent AI-supported processes improves the overall quality and efficiency in the delivery of the consulting services. The adoption of AI tools is further expanded by integrating more technologies for machine learning, natural language processing, and predictive analytics. Establishing continuous improvement processes with feedback mechanisms allows firms to refine AI applications based on project outcomes and client feedback, ensuring that services remain practical and in tune with client needs.

- **Proprietary AI development**: New investments in research and development will be needed to create proprietary AI algorithms and platforms tailored to client needs. These AI models and algorithms will be a way for consultancy firms to differentiate themselves in the competitive market.

- **Talent enhancement and retention**: Offering advanced AI, machine learning, and data science training programs deepens the firm's workforce expertise. Creating career development paths for consultants specializing in AI-related roles motivates staff and supports long-term retention. To attract new talent, the firm’s employer branding needs to be up to date and in line with what potential employees are looking for.

- **Strengthening partnerships and alliances**: Venturing into partnerships with companies supplying AI technology provides access to cutting-edge AI solutions and potential customers in need of consulting services. Partnerships could also come in the form of alliances with think tanks or universities to create insights, best practices, and future forecasts in the AI landscape. The aim is to establish the firm as a thought leader within AI.

- **Enhancing client relationships**: Firms should publish case studies that showcase success stories and demonstrate both the impact of AI-enhanced consulting, but also successful integration of AI solutions in customer projects.

- **Market expansion**: Exploring international markets involves assessing regions with a high demand for AI-driven consulting. Developing localization strategies for how to adapt services to meet local market needs and comply with regional regulations. Establishing offices outside of the current region, or forming partnerships in prioritized markets can expand the firm's global footprint and access new client bases, which will contribute to further growth and broadening of the client base.

- **Leadership in AI ethics and governance**: To further promote and establish the firm as a thought leader on AI and especially AI ethics, governance and best practice, the firm should publish articles and reports stating their thoughts and ideas. Having a proactive stance and discussing these matters in open forums demonstrates a commitment to using AI in a responsible way.

Long-term actions

In the longer perspective, when firms have implemented the actions from the short- and mid-term, their focus should be on maintaining their position. This involves the continuous process of innovation of services within AI as new technologies and systems will appear. Research and development alongside thought leadership on best practices and future forecasts helps firms to stay relevant.

- **Continuous innovation and adaptation**: To keep the firm at the forefront of AI, there needs to be a continuous focus on investments in research and development. Testing

out and integrating new technologies (quantum computing, advanced robotics AI-driven virtual reality) will keep the firm's offerings innovative and competitive. By engaging with new technology in such an exploratory way, through employee-led initiatives, encourages creativity, and a culture of continuous innovation and discovery is formed.

- **Thought leadership**: Influencing industry direction involves leading conversations about the future of consulting and AI at global conferences and events. To further be recognized as though leaders, firms need to present research, studies or knowledge that can help industries to adopt AI. By serving in advisory roles to governments, high profile industry bodies or international organizations, on AI-related matters enhances the firm's prestige and contributes to the responsible development of AI policies and standards.

- **Client co-creation and long-term partnerships**: Engaging in collaborative innovation projects with clients fosters deeper relationships and mutual growth. Forming strategic partnerships focused on shared goals and innovation agendas strengthens client loyalty. Developing a client ecosystem by creating platforms that enable collaboration among clients, partners, and the firm enhances value creation and positions the firm as a central hub in the industry network.

- **Advanced talent strategies**: Building a talent ecosystem involves developing a global network of experts, including freelancers, academics, and industry specialists, to expand the firm's capabilities. By promoting employee experience initiatives that support employee well-being, diversity, and inclusion helps to attract and retain talent. The firm needs to be in touch with future skill requirements, anticipating how market trends will influence the firms service offerings, and proactively prepare the workforce to meet new challenges.

- **Sustainability and social responsibility**: Leading in ethical AI practices by ensuring all applications adhere to the highest standards demonstrates the firm's commitment to responsible innovation. The firm will also benefit from showcasing their work to stay compliant and adhere to ethical standards, which will build trust towards clients.

- **Risk & Opportunity management**: Implementing routines to monitor and identify risk (and opportunity) allows the firm to be proactive about AI advancements and organizational strategy around AI. This will help the firm to stay ahead of any changes that could affect business. Developing crisis preparedness plans equips the firm to respond effectively to unforeseen challenges related to AI, safeguarding its operations and client interests.

If management consultancy firms follow this backcasting roadmap, they can prepare themselves in a structured manner for Scenario 1, and at the same time position themselves at the forefront of AI integration. Each of these phases build upon each other, but actions can of course be taken sooner than suggested here.

5 Conclusions

In this thesis I have explored the potential future scenarios that management consultancy firms may face due to the recent (and coming) advancements of AI. Deep-diving into these scenarios, I analyzed their likely impact on the industry, the role of the consultant, and the actions needed for firms to take in order to better shape their future in an AI-driven world. My forecast points to the undeniable change that AI will bring to the consultancy industry, both in terms of new service offerings, and in making the operational side of consultants work much more efficient. Integrating AI into consulting services signals a shift in industry dynamics, moving beyond traditional consulting delivery models. Management consultancy firms will, to a more considerable degree, move away from a purely advisory role to becoming partners in digital transformations, helping clients infuse AI into their business. We could potentially se industry consolidations given this shift, as firms focus more on specialized services, such as AI integration, ethics advisory, and innovation strategies, complementing the internal AI capabilities of the consultancy firms' clients. In addition to this, the industry will face intensified competition in the AI consulting space, both from traditional competitors, but also from technology companies entering with new AI platforms.

The role of consultants is evolving from general advisory to specialized knowledge transfer, requiring technical proficiency in AI tools and soft skills such as emotional intelligence and creativity to build good client relationships. The future scenarios emphasize the need for consultants to have a blend of both technical and strategic capabilities, particularly in areas that require human insight, such as managing AI integration and training client teams in AI adoption. This focus on competencies suggests that consultants will transition into "AI-human interface experts," where interpreting AI outputs and translating them into strategic actions becomes a core responsibility.

To adapt to these changes, consultancies must proactively invest in AI and upskill their workforce to be alignment with AI's role in consulting tasks. Strategic foresight, proprietary AI platforms, and flexible business models—such as subscription or value-based pricing—will be essential for positioning firms for success in this environment. Focusing on ethical AI use, regulatory compliance, and fostering long-term client relationships will be of importance to establish consultancies as trusted advisors amidst growing AI-related concerns.

AI will not only transform the management consulting industry, but also reshape the foundations of how consultancy services are provided. The AI development requires firms to adopt innovative approaches and continuously adapt to evolving technologies and market demands.

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Figures