

# The Consulting Playbook for Private Equity Portfolio Companies is Being Rewritten

*How specialist-led teams of independent experts are outpacing traditional firms in delivering value creation, and what this means for portfolio company success.*

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If you've worked in private equity over the past 18 months, you've felt it: something fundamental has shifted in how portfolio companies approach consulting support. The old playbook - engage a MBB or Big Four firm, deploy a large team, run a 12-week sprint - is giving way to a very different model.

The data tells the story clearly. McKinsey reduced its workforce from 45,000 to under 40,000 over 18 months, with plans for further cuts of up to 10% in some functions.<sup>12</sup> Meanwhile, boutique consulting firms are achieving profitability margins of 50-70% (the industry average sits at 20-40%<sup>3</sup>). Clients increasingly demand hyper-specialised expertise over broad-stroke advisory work, forcing a fundamental rethink of how consulting value is delivered.

For private equity funds and their portfolio companies, this disruption creates both challenge and opportunity. The question isn't whether the consulting model is changing - it's whether you're positioning your portfolio companies to benefit from what's replacing it.

## The Six Forces Reshaping Consulting for Private Equity

Traditional consulting firms built their businesses on a simple premise: brand credibility plus methodology frameworks equals premium pricing. Whilst that still applies to diligence projects, for value creation that equation is breaking down, driven by six interconnected forces:

1. **Clients buy outcomes, not logos.** When you're operating against a value creation plan with clear EBITDA targets and exit timelines, the name on the consultant's business card matters far less than whether they've delivered similar transformations before. Portfolio company boards and PE operating partners increasingly judge success by results achieved rather than the reputation of the firm engaged.
2. **Complexity demands specialists, not generalists.** Modern transformation challenges in portfolio companies - whether it's an integration of a B2B SaaS business, the creation of a procurement function in manufacturing, or an Operating Model for a business that's grown through acquisition – they all require deep, hands-on expertise from practitioners who have solved precisely these problems before. Broad methodologies delivered by smart generalists who'll learn your industry on your time simply doesn't cut it anymore

3. **Senior expertise is no longer optional.** Portfolio companies expect experienced leaders to be directly embedded in the work, making decisions in real time and owning delivery - not providing periodic oversight from London or New York whilst junior consultants do the heavy lifting on site. When the Chief Transformation Officer or Transformation Director is evaluating consulting partners, they want to know exactly who will be in the room making it happen.
4. **Speed matters more than scale.** In an environment where time literally equals value creation, portfolio companies prioritise agile, senior-led teams that can diagnose issues quickly and drive momentum without the delays created by large, layered deployments.
5. **Cost discipline has sharpened value expectations.** PE-backed companies operate under intense financial scrutiny. This has led them to favour leaner delivery models that clearly link fees to outcomes, efficiency and tangible business impact. Portfolio companies want to see exactly what they're paying for and what return they'll generate.
6. **Trust comes from partnership, not presentation.** The most successful consulting relationships in private equity now look more like true partnerships than traditional client-vendor dynamics. Portfolio companies value honest challenge, practical collaboration and sustained involvement beyond the final deliverable.

## What the Numbers Tell Us

The shift isn't just anecdotal. The consulting industry global revenue is predicted to reach \$1.32 trillion by 2029<sup>4</sup> - interestingly, the growth is increasingly flowing to new types of players.

78% of Fortune 500 executives reported dissatisfaction with strategy-to-execution handoffs in 2024,<sup>5</sup> highlighting exactly where traditional firms are losing ground. When your portfolio company has 36 months to triple EBITDA, you can't afford a strategy that dies in the handoff between slides and implementation.

The independent consulting market has grown accordingly. The number of full-time independent consultants grew by 6.5%, reaching 27.7 million in 2024.<sup>6</sup> These aren't just freelancers filling gaps - many are senior leaders from top firms who've chosen to work differently.

For private equity specifically, the implications are profound. Firms are now managing portfolios with median hold periods of 3.8 years (the highest level since 2011<sup>7</sup>) whilst also sitting on the potential of over 30,000 unrealized portfolio companies.<sup>8</sup> This creates intense pressure to extract maximum value in compressed timeframes. The capability gap has reversed: specialised providers are often ahead of the traditional players in the very capabilities Private Equity firms most need.

## A Different Model: Specialist-Led, Independently Delivered

What's emerging to fill the gap isn't simply 'smaller versions of big firms.' It's a fundamentally different delivery model built around three core principles.

1. **Deep specialist leadership.** Rather than partner oversight with junior delivery, the new model puts genuine subject matter experts - people who've led similar transformations multiple times - at the centre of the work. These specialists bring not just knowledge but judgment: they've made the mistakes before, they know where the bodies are buried, and they can move quickly because they're pattern-matching against real experience rather than working from first principles.
2. **Hand-picked independent experts.** Around these specialist leaders, teams are assembled from a curated network of independent consultants selected specifically for the challenge at hand. Need someone who's implemented dynamic pricing in B2B distribution three times before? You get precisely that person, not whoever happens to be available in the firm's resource pool. This matters enormously in PE contexts where timeframes are compressed and there's no room for learning curves.
3. **Execution discipline.** The most effective version of this model pairs consulting acumen with something traditional firms often lack - relentless execution discipline. The kind of pragmatism that comes from military training or operational leadership in industry, where planning is essential but only valuable if it drives action, where the mission defines the approach rather than the methodology, and where accountability means delivering the outcome, not just the analysis.

The technology shift enabling these core principles has been equally transformative. AI and software platforms have democratized access to capabilities that were once the exclusive preserve of large firms. A boutique team can now deploy the same calibre of data analytics, market intelligence, and project management tools that McKinsey uses - often at a fraction of the cost.<sup>9</sup> AI enables small teams to punch above their weight, with two-person operations now competing for work that previously required armies of analysts.<sup>10</sup> The competitive advantage has shifted from who has the best tools to who can combine those tools with genuine expertise and execution capability.

This new delivery model solves precisely the problems that frustrate Private Equity firms and portfolio company leaders:

- You know exactly who's doing the work because they're in the room from day one.
- The team is lean by design, not just in proposal rhetoric.
- Fees align directly with delivery because you're not supporting a pyramid structure.

And perhaps most importantly - there's no handoff between strategy and execution - the people who diagnose the problem own making it happen.

## **Making It Work: What Good Looks Like**

For Private Equity firms considering this approach, or portfolio companies evaluating alternatives to traditional consulting, several factors separate effective specialist-led models from the market.

The specialist leading the work should have direct experience delivering similar transformations, ideally multiple times. Not 'led a team that did something adjacent' but actually did the thing you need done. Whether it's post-merger integration, operating model redesign, or carve-out execution, there's simply no substitute for pattern recognition built on having solved precisely these challenges before in a Private Equity context.

This specialist expertise must then be complemented by hand-picked teams of genuine domain experts - not inexperienced juniors with vanilla experience - but practitioners with proven track records in the specific functional levers the transformation requires. The value comes from accessing curated talent networks like Movemeon's 90,000-strong community of top-tier ex-consultants, where you can select the exact expertise you need. You get precision-matched capability, not whoever happens to be available in a traditional firm's resource pool.

The engagement should align economics with outcomes from the start. Not 'we'll figure out value as we go' but clear linkage between fees, deliverables, and business impact. This transparency is increasingly non-negotiable in private equity.

There should be genuine integration with the portfolio company team, not just parallel workstreams. The most effective implementations involve consultants working as part of the operating team, transferring capability whilst delivering results. This ensures value persists after the consulting team steps back.

Finally, there needs to be execution discipline: clear workplans, tight cadence, ruthless prioritisation, and relentless focus on what moves the needle on the Value Creation Plan. Strategy is necessary but not sufficient; what matters is the implementation of strategy.

## **The Road Ahead**

The consulting industry's disruption isn't coming - it's here. For private equity firms and their portfolio companies, this creates a genuine strategic choice. You can continue engaging consulting partners as you always have, accepting the limitations of traditional models because that's what everyone else does. Or you can recognise that the market has evolved and there are now better alternatives for the kind of transformation work PE value creation demands.

The firms making the shift aren't just saving on consulting fees, though that's certainly a benefit. They're getting faster time to value, better knowledge transfer to their teams, and ultimately stronger outcomes on the metrics that matter for exits.

The future of consulting in PE isn't about brand names or methodology frameworks. It's about specialists who've done it before, leading hand-picked teams who can deliver it now, with the execution discipline to make it stick. That future has already arrived - the only question is whether you're ready to benefit from it.

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*Movemeon partners with specialist boutiques like W2 Strategy, who pair strategy consulting acumen from top-tier firms with military execution discipline to make strategy actionable for Private Equity portfolio companies. If you're interested in exploring how specialist-led, independently delivered consulting can accelerate your value creation plans, we'd welcome a conversation.*

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## Sources

## Footnotes

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3. Consulting Success, "54 Consulting Statistics For 2025," August 2025. The industry average gross margin for boutique consulting firms is 20-40%, with high-performing firms achieving margins of 50-70%+. [↵](#)
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7. Cherry Bekaert, "Private Equity Mid-Year Trends in 2025," August 2025. The median hold time for assets still in portfolios stands at 3.8 years, the highest level since 2011. [↵](#)
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10. Virtasant, "Does AI in Consulting Spell Democratization ... or the End?" 2025. A two-person team armed with the right AI tools can now compete for contracts that previously required armies of analysts. ↵