

Business Services



B2B
International

b2binternational.com

Business services such as accounting, legal, consultancy and training help companies to operate more efficiently, streamline processes and become more profitable.

Historical development

Amatino Manucci, a Florentine merchant, produces the earliest record of full double-entry bookkeeping in the accounts of Giovanino Farolfi & Company.



The first management consulting firm, Arthur D. Little, was started in 1886 by Arthur Dehon Little, an MIT chemist who discovered acetate.



October, 2001 The Enron Scandal is uncovered, resulting in the dissolution of Arthur Anderson and passage of the Sarbanes-Oxley Act.

The industry today

While the 2008 financial crisis resulted in plummeting revenues for key players in the business services industry, not only have many of them recovered, several have begun to break pre-recession earnings records.

Major areas of business services:



Accounting



Commercial law



Consulting



Training

Major players in the industry

Accounting makes up one-third of the overall market with commercial law, consultancy and training each accounting for just over 20%.

Economic growth in Asia, particularly China and India, has led to increasing demand in professional business services.

The 3 largest companies by revenue all focus on accountancy as their core service although their consulting arms have been the fastest growing divisions in recent years.

\$1,400
billion
p/a



Deloitte.

ERNST & YOUNG
Quality In Everything We Do



pwc

The future for the industry

➤ The business services industry is undergoing consolidation as smaller and mid-sized firms have either been bought out by their larger global competitors or closed up shop following the financial crisis.

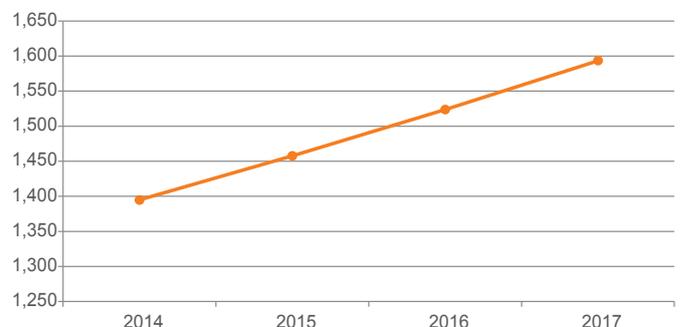


These large firms have agreements with their largest clients, who are willing to redirect a larger proportion of their business to firms in exchange for rate concessions.

Thanks to several strategic acquisitions, the largest firms are expanding the range of services they provide to their clients and raking in a greater share of revenue.

As the chart opposite illustrates, global business service revenues is forecast to grow from \$1,395bn in 2014 to \$1,593bn by 2017, an anticipated CAGR of 4.52%.

Business Services Revenue Forecast (2014-2017)
figures in US\$ bn



Insight

The largest business service companies are projected to grow at a higher rate than their smaller counterparts, yet there remains a considerable share to be won by those able to tailor their services to areas experiencing high demand.

There is extensive demand for consulting services on cash flow enhancement, supply chain efficiency and manufacturing efficiency.



Government regulations in the US and Europe provide opportunities assisting with government oversight in financial services, environmental matters and health care.



The more countries serviced, the greater the growth in business services revenues. South Korea, Taiwan, Singapore and Indonesia are attractive markets for consulting services.