CHALMERS
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# Exploring AI Usage in Management Consulting

## Leveraging AI for Potential Benefits at the Intersection of Business and Technology

Master's thesis in Management and Economics of Innovation


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ABSTRACT

As generative AI reshapes industries, management consulting faces a transformation. This thesis explores how consulting firms can leverage AI strategically to enhance value creation both internally and externally. Through a qualitative case study of a small and relatively newly established Swedish management consulting firm, supplemented by insights from additional consulting firms and client perspectives, this study explored the changing consultant role. In doing so, the thesis also examines what competencies and capabilities will be necessary to remain competitive and relevant in the future.

The findings show that AI is not replacing human consultants, rather redefining their roles. With AI as an efficiency enabler, suitable for repetitive tasks, consultants can shift their focus to more value-enhancing parts of the project. The human aspects of consulting, referred to as soft skills and including skills such as communication and trust building, are aspects that AI is not able to fill. The study introduces the Human-AI Value Matrix, a framework for mapping how firms can position themselves by balancing AI integration with the irreplaceable aspects of human insights. The study further reinforces the concept of "Hybrid Consultants", who combines AI literacy with domain expertise and emotional intelligence.

Ultimately, the thesis argues that competitive advantage in the AI era comes not from technical capabilities alone, but from consulting firm's ability to integrate the advantages that comes with AI into a wider context. In order to truly gain value from AI, it is necessary to have someone who can translate the insights and apply them to the unique case of every client. This provides practical implications for consulting firms seeking to stay relevant and future-proof their offering.

Keywords: artificial intelligence (AI), business models, digital transformation, human value, management consulting, value creation.

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# Table of Contents

# List of Figures and Tables

# 1. Introduction

This section will present the background, aim, limitations, and specifications of the issue explored in the thesis.

## 1.1 Background

Artificial intelligence (AI) has emerged as a transformative force that revolutionizes industries by enhancing productivity, enabling innovation, and reshaping the traditional way of working (Rashid & Kausik, 2024). Across various sectors, AI creates new opportunities while simultaneously introducing challenges. A study by Goldman (2024) shows that about 75% of business leaders believe that AI will reshape their industry in the coming years. Hence, firms are now navigating how to position themselves at the forefront of AI-driven transformation, with the potential to drive efficiency and increase innovation as well as overall customer satisfaction (Aiden & Michael, 2024). Particularly many professional service industries are experiencing changes. This is also the case for management consulting firms, for whom AI will change the customer's need, while simultaneously disrupting the ordinary workflow of consultants, ending classic management consulting (Sayyadi et al., 2023).

### *1.1.1 Generative AI*

One of the most significant advancements in AI in recent years is generative AI. Generative AI is defined as a type of AI that refers to computational techniques that are able to generate seemingly new content based on training data from machine learning, natural language processing, and image recognition, allowing it to detect patterns (Feuerriegel et al., 2023; Accenture, 2025). Further, Feuerriegel et al. (2023) describe that the process of human interaction with generative AI is very much co-creative in nature, as every new data input influences the following output and enhances AI's knowledge. In line with this, Accenture (2025) expands on how generative AI is unique compared to ordinary AI, by being able to create original content rather than just analyzing or classifying what is already there.

The applications of generative AI are immense, and according to Accenture (2025), generative AI offers vast new abilities for productivity, creativity, and problem-solving. Moreover, Feuerriegel et al. (2023) state that generative AI will have the potential to transform and disrupt particularly industries that are reliant on creativity, innovation, and knowledge processing. This

implies that organizations across various sectors now need to explore how to integrate AI into their operations to maintain a competitive edge.

### *1.1.2 Generative AI within Management Consulting*

In the management consulting industry, which relies on human expertise, integrating AI presents a dual challenge: the need to utilize advanced technologies while still maintaining the high standards of client service that the consultants offer (Mohan, 2024). This integration is critical for firms looking to remain competitive in a rapidly evolving business environment. Correspondingly, the possibilities and challenges for management consulting firms are discussed below. A study conducted by Deloitte (2024) provides data that about 65% of the consulting firms studied have started exploring AI usage internally; however, how to best navigate this usage remains difficult to know.

The rise of generative AI, with its ability to analyze complex data, generate insights, and assist in creative problem-solving, is changing how consulting firms approach their daily work methods for customer engagement, interaction, and overall service delivery (Goldman, 2024; Pattanayak, 2020). Moreover, Pattanayak (2020) exemplifies the benefits of utilizing generative AI by taking the burden of time-consuming tasks such as data entry and analysis while improving the overall analysis. Goldman (2024) further emphasizes how AI-driven tools can enhance data analysis, automate research processes, and generate strategic recommendations at a faster pace than humans. This enables consultants to focus on high-value problem-solving rather than manual data processing.

Furthermore, the evolving demands of clients have put pressure on management consultants to tailor their services, where generative AI presents an opportunity to increase both client interaction quality and satisfaction (Pattanayak, 2020). Additionally, firms that successfully integrate AI have been found to grow faster than those that do not, as AI enables them to scale operations and expand their service portfolios in ways that were previously unrealistic (Goldman, 2024). For early adopters, AI could even act as a competitive edge, positioning firms at the forefront of an industry undergoing rapid technological transformation, driven by AI (Alexander, 2024).

Despite its potential, AI adoption in consulting does not come without its challenges. For example, automated data analysis could require substantial effort to validate the output for accuracy, adding extra time that would otherwise not be needed (Goldman, 2024). AI models

can be subject to biases and generate misleading insights, so-called hallucinations, that generate inaccuracies, creating demand for strong frameworks to deal with the output to ensure correctness (Goldman, 2024). Another challenge is data security (Lubis, 2023), as consulting firms often handle sensitive client information. This creates a pressing need to find ways to deal with this data in a secure way, so as not to spread sensitive information (Goldman, 2024). Moreover, Lubis (2023) argues that the usage of AI models comes with ethical considerations and the responsibility to follow regulations. Ensuring this is essential in order to avoid unintended consequences and create a sustainable and trustworthy implementation (Lubis, 2023).

Pattanayak (2023) raises the question about client concerns regarding AI use. Some clients could potentially be skeptical of consultants relying on AI-driven insights and have low trust in the accuracy of this. This creates an issue in client engagement and brand image. Further, Pattanayak (2023) also highlights the need for significant investments in both the right technology and employee training, emphasizing that this could particularly be a high barrier for smaller firms without the same means and resources.

### *1.1.3 A Small Management Consultancy as a Case Study*

As Pattanayak (2023) states, there are particular challenges associated with AI implementation in small firms, however, there are also advantages. The work of this thesis will revolve around Company X (an alias for a small management consulting firm established in 2023). Specializing in the intersection of business and technology consulting, they present an interesting case for studying how smaller consulting firms might leverage their flexibility (Fiegenbaum & Karnani, 1991) to experiment with and implement AI solutions more rapidly than larger organizations with slower response times. To enhance the depth of the study, some of Company X's sister and partner companies, also smaller firms within the consulting sector, will be included in the analysis.

This flexibility suggests that smaller firms, like Company X, could find it easier to integrate AI successfully, unlike larger organizations that often face bureaucratic hurdles and slower decision-making processes (Fiegenbaum & Karnani, 1991). As Alexander (2024) states, AI is not just any tool for such firms; it is a game changer, enabling them to expand their service portfolio and deliver greater value to clients. In addition, generative AI also offers the ability for firms to grow faster than those that do not use AI, highlighting the potential for AI to transform the revenue and value creation of consulting (Goldman, 2024). Further, Company X

provides unique opportunities for implementing changes in a newly started organization that wishes to be future-oriented and position itself at the forefront of new solutions for a competitive advantage.

This perspective underscores the importance of small firms embracing AI to be competitive in an industry undergoing rapid digital transformation. The firm's agility allows it to tailor its services to meet the evolving demands of clients, where generative AI has been found to increase both client interaction quality and satisfaction (Pattanayak, 2020). However, this journey is not without challenges. Small firms must overcome resource limitations, train their workforce to effectively use AI, and address client concerns regarding the ethical and responsible use of AI technologies (Pattanayak, 2023). With limited resources, they may struggle to invest in AI infrastructure and training at the same scale as larger firms. Goldman (2024), addresses the need for firms to develop their unique frameworks regarding AI and ethical concerns, connecting these back to the firm's core brand value. Understanding how Company X and its sister companies navigate these challenges will provide valuable insights into how small consultancies can drive innovation and remain competitive in an increasingly AI-driven industry.

## 1.2 Aim

The overall aim of this thesis is to fill a practical and theoretical research gap on AI integration and usage in small management consulting firms.

### *1.2.1 Practical Aim*

This thesis aims to investigate how a small consulting firm can leverage AI to enhance its value creation and client offerings while also addressing the barriers, risks, and ethical challenges associated with AI integration. The study also aims to examine how AI is reshaping the overall traditional roles of consultants and identify the new competencies required to thrive in this evolving landscape. By focusing on a smaller and newly established consulting firm, Company X, this research aims to provide unique insights into how small consulting firms can drive innovation and remain competitive in an AI-driven industry.

More specifically, this thesis aims to identify key opportunities and challenges regarding AI integration into consulting offerings and propose actionable recommendations based on these findings. The end goal is to create a framework for consultant skill-building and organizational adaptation in an AI-driven industry era.

Even though the study has a particular focus on management consulting, the practical recommendations derived from this study are designed not only for consulting firms but also for a wider range of professional service organizations facing similar challenges and opportunities with AI adoption.

### *1.2.2 Theoretical Aim*

While AI adoption in management consulting is gaining traction, academic research on its impact remains limited, particularly for smaller firms. Most existing literature focuses on AI's role in large consulting firms, leaving a gap in understanding how smaller and more flexible firms navigate this transformation (Zavodna et al., 2024).

This study seeks to bridge this research gap by exploring how Company X, as a small firm in the consulting industry, can effectively integrate AI to enhance its value creation while managing associated risks. By combining practical insights with theoretical analysis, this research aims to contribute to both the industry's best practices and the broader academic research on AI in consulting. The findings will provide a deeper understanding of how smaller and novel consulting firms can strategically and operationally integrate AI, offering a framework to guide firms like Company X in adapting to an AI-driven consulting landscape.

### *1.2.3 Research Questions*

Based on the aim, the following research questions have been developed to guide the thesis:

1. How is AI changing the role of small management consulting firms?
2. What barriers and risks do small management consulting firms face when integrating AI into their operations, and how can these challenges be effectively addressed?
3. How can small management consulting firms position themselves to deliver unique value in an AI-driven era, and what specific skills and competencies will consultants need to build?

## 1.3 Delimitations

This study will focus on the implications of AI, more specifically generative AI, in management consulting and will not address broader aspects of AI adoption. Additionally, this study will not examine technical AI development or programming but will instead focus on the strategic and operational applications of AI to drive value creation for firms and their clients. Furthermore,

this research focuses on small firms within the consulting industry, as the case study focuses specifically on small and newly established firms that fall under this category. This narrower scope provides a novel approach to understanding how these smaller organizations can approach AI integration to drive revenue and value creation in order to position themselves for success in the market. While the direct empirical focus is on consulting firms, many of the identified challenges, opportunities, and recommended strategies are likely transferable and highly relevant for other small professional service firms.

# 2. Theoretical Background

This chapter outlines the theoretical foundation for understanding how generative AI transforms the management consulting industry. Drawing from current literature, the chapter is structured around five core areas: AI's Transformative Role in Management Consulting, The Changing Consultant Role, Value Creation & Competitive Advantage with AI, Capability Shift: Skills & Competence Requirements, and Organizational AI Readiness: Enabling Adoption. Together, these perspectives provide a comprehensive lens for exploring how AI is reshaping management consulting at both the individual and organizational levels.

## 2.1 AI's Transformative Role in Management Consulting

Management consulting involves knowledge-intensive processes, providing expertise, insights, capacity, and innovation to clients (Crișan & Marincean, 2023). In management consulting, digital transformation is viewed as having the potential for cost reductions, time savings, and enhanced transparency, along with the ability to reshape value and delivery (Crișan & Marincean, 2023). One aspect of digital transformation is the integration of AI, which creates new opportunities as well as challenges for the traditional role of management consulting. AI, particularly generative AI, is disrupting existing workflows and business models, placing businesses in a position where they urgently need to upgrade their technology and upskill employees to remain competitive (Lari & Manu, 2024). The value derived from AI in management consulting lies not only in AI-powered tools and processes; as AI advances, it is expected that AI-driven strategies and insights will be more deeply incorporated into consulting services, thereby increasing overall value to clients through enhanced effectiveness and efficiency gains (Lari & Manu, 2024).

## 2.2 The Changing Consultant Role

Artificial intelligence is not only changing how management consultants operate but also fundamentally reshaping the role itself (Sayyadi et al., 2023). Traditionally, the consulting model has been based on clients hiring consultants to diagnose issues and recommend solutions, a model that has remained pretty much unchanged for over a century. The traditional consultancy model assumes that the consultant has more expertise in certain areas than the client, and this extra knowledge is the value that the client feels is worth paying for. Further, because consultants work for several companies, they have knowledge of best practices and

success cases that they can then transfer from one business to another, helping increase productivity (de Man et al., 2016).

### *2.2.1 Disrupting Traditional Consulting*

However, this model is now being disrupted by AI technologies that offer faster, more scalable, and data-driven alternatives (Sayyadi et al., 2023). As AI empowers organizations to make augmented decisions and enhance efficiency, consultants are being pushed to move beyond problem identification and toward implementing AI-enabled solutions and decision-making processes. This shift will require a more agile and adaptive approach to consulting, challenging the dominance of integrated models in favor of more specialized, tech-enabled service offerings (Sayyadi et al., 2023). Sayyadi et al. (2023) further argue that this evolution positions consultants in a dual role, where they are expected to identify and frame business problems while actively implementing AI-enabled solutions. As the nature of consulting tasks changes, entirely new competencies are emerging. Some anticipate the rise of roles such as the "explainer", where consultants serve as intermediaries between opaque AI outputs and actionable business insights (Tiwari, 2025). This shift also reflects a broader redefinition of expertise in consulting, emphasizing human interpretation, communication, and ethical reasoning alongside technological fluency.

### *2.2.2 Augmentation, Not Replacement*

While some researchers warn of potential job displacement due to AI's analytical efficiency (Kaczorowska-Spychalska et al., 2024), others view this moment as an opportunity to reshape and expand the field with new roles, responsibilities, and value propositions (Oppioli et al., 2023). However, as Cemaloglu et al. (2019) suggest, AI and automation are not designed to replace human consultants; rather, they aim to augment their capabilities, shifting the focus of consulting work toward more strategic, creative, and judgment-based activities. The authors further argue that a common problem in consulting is that the so-called thinking agency, the ability to freely ideate, is often limited by the executional agency, the ability to execute said ideas, due to unsophisticated tools that limit the possibilities. AI has the possibility to help by taking over repetitive and time-consuming analytical tasks, which allows consultants to focus even more on human-facing functions, strategic thinking, and creative problem solving, which is the thinking agency (Cemaloglu et al., 2019).

This transformation is further illustrated by Dell'Acqua et al. (2023), who describe new working modes such as "Centaurs" and "Cyborgs," where consultants either collaborate with

AI or deeply integrate it into their workflows. “Centaurs” are consultants who divide and delegate their problem-solving and solution creation between themselves and AI, in order to draw on the specific strengths of each. In contrast to this, “Cyborgs” are completely integrating AI into their tasks and workflow, trying to continually interact with technology at all different task levels. In an experiment with Boston Consulting Group, it was found that within the frontier of AI capabilities, both the “Centaurs” and “Cyborgs” showed a significant increase in productivity, completing 12,2% more tasks on average and 25,1% faster than those not using AI. Regarding quality, it was shown that both work modes created 40% higher quality in their results (Dell’Acqua et al., 2023). However, the study also showed that when dealing with tasks outside of the frontier of AI capabilities, consultants using AI were 19 percentage points less likely to produce correct solutions compared to those without AI. Dell’Acqua et al. (2023) argue that the reason for this worse performance is most likely the tendency that AI-augmented consultants adopted the output blindly from AI without much interrogation on the validity. The study does not entail whether there were any differences in performance between the two working modes, leaving possibilities for further studies exploring this.

Wirtz et al. (2018) suggest that AI can augment the capabilities of service professionals, including management consultants, by handling routine tasks and analyzing large datasets. Sack et al. (2024) refer to generative AI as an "exoskeleton”, a tool that empowers workers to perform better and achieve more than either humans or AI could alone. Based on this, the most effective use of AI is often when it is used to augment human capabilities rather than replace them. However, AI is less suited for tasks requiring empathy, emotional intelligence, and creative problem-solving (Wirtz et al., 2018). Further, Sack et al. (2024) warn of the risk of over-reliance on AI and the potential for employees to pay less attention or be unable to check the AI’s work. This highlights the need for humans to maintain oversight and critical thinking skills even when working with AI. Figure 1 illustrates the importance of considering the capabilities of both humans and AI when determining when and how to pair them.

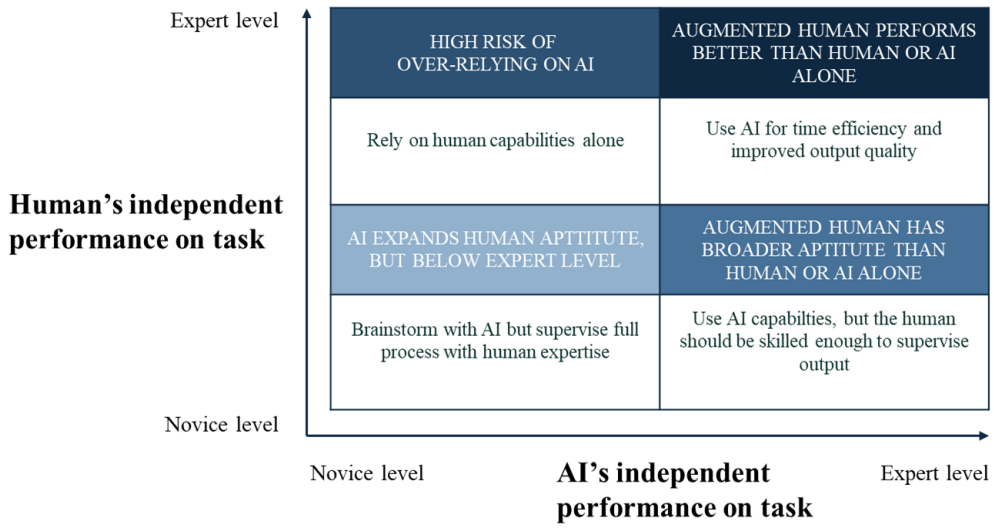


**Figure 1.** Adaption of "When and how to pair humans and genAI" by Sack et al. (2024)

### *2.2.3 Evolving Client Expectations*

As AI is becoming more and more integrated into all industries, client expectations are also undergoing a significant transformation (Ramachandran, 2024). This transformation is driven by factors like increased access to information, technological advancements, and a drastically evolving business landscape (Pattanayak, 2023). Pattanayak (2023) further argue that today's clients have a demand for higher customization and even more relevant solutions that target the particular needs and contexts, addressing their unique challenges. As AI has allowed for a higher pace of business, clients are now expecting insights and recommendations to be delivered even faster than before. Furthermore, the rise of AI has made clients start to redefine their view on consultancy value (Samokhvalov, 2024). Samokhvalov (2024) adds to the findings of Pattanayak by reinforcing the fact that generic solutions will become less acceptable, and with AI cutting down the time needed for data analysis and insights, the value will be more through the complex strategic input that only a senior consultant with lots of experience in the industry can add.

Building on this shift in expectations, another transformation lies in the changing information dynamics between clients and consultants. The traditional consulting model, built on knowledge asymmetry, where consultants offered exclusive insights, frameworks, and expert analysis, is being disrupted as AI allows clients direct access to similar capabilities (Salicetti, 2025). AI tools now enable clients to internally generate data-driven insights, conduct advanced analyses, and create strategic recommendations with a level of expertise that previously required external consultants (Singla et al., 2025). As a result, the role of consultants is no

longer only to deliver answers, but instead to help clients build internal capabilities and make sense of complex, AI-generated outputs. The premium placed on external expertise is gradually vanishing, with clients starting to put more priority on adaptability and being self-reliant (Salicetti, 2024). This shift redefines what clients value most from consultants, not just solutions, but guidance that helps them to navigate and thrive in a constantly evolving business environment.

## 2.3 Value Creation and Competitive Advantage with AI

This section explores how AI may be leveraged to obtain competitive advantages. While the most common perception may be that generative AI's primary advantages come from effectivity gains, the actual payoff might only arise when firms engage in more comprehensive organizational transformations (Lamarre et al., 2024). Lamarre et al. (2024) imply that gaining a competitive edge requires reshaping the organization to innovate, roll out, and refine a wide array of solutions, essentially reconfiguring the firm for AI-driven innovation.

### *2.3.1 Creating Sustainable Competitive Advantage*

To translate AI initiatives into sustained competitive advantage, a firm must leverage its internal resources and capabilities. Drawing from the resource-based view of the firm, a product or service offered needs to be valuable, rare, costly to imitate, and organizationally aligned (Barney, 1995). To create a sustained competitive advantage, all four aspects need to be achieved. This is known as the VRIO framework, illustrated in Figure 2 below.


**Figure 2.** The VRIO framework (Barney, 1995; Mohammad, 2022)

Firms must also consider how generative AI may impact the very foundations of strategic defensibility. The explanation of how incumbent firms remain competitive and profitable can be derived from protective "moats", i.e., brand reputation, strong human capital, economies of scale, etc. (Stuart, 2024). These competitive advantages are not static, and many are increasingly vulnerable to being challenged as generative AI advances (Stuart, 2024; Azagury

& Moore, 2024). As AI tools grow more capable, they level the playing field, making it easier for new entrants to replicate or bypass what were once considered solid competitive strengths. In other words, generative AI transforms what constitutes a competitive advantage, where traditional barriers are diminishing. In response, incumbent firms must continuously innovate to identify and obtain new sources of competitive advantage to remain profitable.

The million-dollar question naturally becomes how firms should build competitive advantages in the new AI landscape. Azagury and Moore (2024) identified six emerging and interrelated sources with the possibility to give organizations an edge: organizational data and its underlying digital core, the speed at which they learn and adapt, the extent of their capability remodeling, the power of the organizations' external collaborations, and the level of trust they have for responsible AI use. The analysis revealed that organizations effectively developing capabilities across all six dimensions achieved a 10.7 % point premium in total shareholder returns during 2023, the initial complete year of large-scale generative AI use, compared to organizations that did not develop these capabilities (Azagury & Moore, 2024).

### *2.3.2 Leveraging Data*

Azagury and Moore (2024) encourage organizations to leverage their proprietary data in order to differentiate from the competition, since generative AI models only have access to public data. The relevant data varies among industries and businesses' specific needs, but every organization needs its data strategy to support its business strategy since the data constitutes the foundation on which the digital core is built, the technology backbone of organizations (Azagury & Moore, 2024). Moreover, there is untapped potential in the usage of LLMs concerning proprietary data. Azagury & Moore (2024) found that significant value can be extracted from LLMs' potential to analyze unstructured data (accounting for approximately 70 % of organizational data). However, almost 60 % of the largest clients used unstructured data very limited, mainly using structured data (Azagury & Moore, 2024). This is further reinstated by Lamarre et al. (2024), who explain LLMs' true value arises from their potential to process unstructured data. The authors encourage organizations to think about data possibilities creatively, organizations should identify the most valuable unstructured data origins and implement metadata tagging frameworks to enable effective model processing and facilitate data accessibility for teams (Lamarre et al., 2024). One way to gather and leverage proprietary data that should otherwise be lost is by interviewing retiring employees and giving an LLM access (Lamarre et al., 2024). Lamarre et al. (2024) highlight the importance of optimizing data

infrastructure since organizations often pay tenfold compared to what is possible. Moreover, data not properly governed may result in risks, hampering service and product innovation (Konjura et al., 2023).

### *2.3.3 Changing Value Creation*

Generative AI is not only transforming data usage, but also the potential at which organizations can learn and adapt. By utilizing the technology to automate repetitive work and accelerate the learning of new skills, employees have the potential to be knowledgeable in more and broader areas (Azagury & Moore, 2024). This is not only an opportunity but also a threat; if organizations are not capable of keeping up with the fast-paced learning environment, they will be outcompeted. This creates an urgency to continuously develop and adapt employee capabilities (Azagury & Moore, 2024). To fully unlock the potential of human and AI collaboration, organizations must leverage generative AI to transform entire workflows from start to finish (Azagury & Moore, 2024). Moreover, as basic AI capabilities become standard due to low adoption barriers, true advantage will come from developing a few industry-specific strengths that solve real pain points and push performance beyond current norms (Azagury & Moore, 2024). As such, organizations must move beyond isolated use cases and begin integrating generative AI more holistically into their operations and capability-building efforts to remain competitive over time.

To make the shift to incorporating generative AI throughout the workflows, organizations need assistance from external partners due to the immense technological change rate (Azagury & Moore, 2024). In order for the rollout of generative AI to work properly, several aspects need to be dealt with simultaneously: IT architecture built out, appropriate models selected, unstructured data unlocked, and developing new employee skills and capabilities (Azagury & Moore, 2024). Given the rapid pace of advancement, Azagury & Moore (2024) argue that organizations that struggle to implement today's generative AI solutions risk falling behind as newer models emerge. To keep pace, organizations must adopt an ecosystem approach, where coordinated collaboration across partners may become a key source of sustained advantage (Azagury & Moore, 2024). Another source of advantage may be connected to trustworthiness. Azagury & Moore (2024) explain that the boost of generative AI will result in high levels of scrutiny. Hence, adoption of generative AI will in the end depend on trust, meaning it will also be a way for differentiation (Azagury & Moore, 2024). However, this may be a challenge to achieve. Konjura et al. (2023) highlight governance as a major obstacle, with 58 % of their

respondents identifying it as one of the biggest challenges. As a result, organizations that develop both the technical foundation for generative AI implementation and robust governance frameworks for responsible use will establish a sustainable competitive advantage and maximize long-term value creation.

### *2.3.4 Changing Business Models*

The introduction of AI into the consulting industry is not only changing the value, but is also expected to reshape traditional business models, which have long relied on billable hours and labor-intensive work. As AI automates more tasks, consultants may need to transition toward alternative pricing structures such as pay-per-use or outcome-based fees, where payment is tied to agreed results rather than time spent (Samokhvalov, 2024). Similarly, as AI capabilities evolve, becoming even more expert, new subscription-based business models are predicted to emerge, allowing clients to pay based on usage or the value created rather than the effort invested. This shift could lead to more dynamic, outcome-oriented pricing structures that align incentives between clients and consultants (Stuart, 2024).

## 2.4 Capability Shift: Skills and Competence Requirements

The ongoing integration of AI into consulting does not eliminate the need for management consultants; rather, it is reshaping the core attributes and competencies that define their professional value (Chatzopoulos, 2024; Kaplan, 2025).

### *2.4.1 A Rebalancing of Competencies*

Chatzopoulos (2024) argues that core consultancy capabilities will still be critical, even in an AI-driven era. Core skills such as change management, project leadership, stakeholder engagement, and data interpretation will be important in facilitating and guiding clients throughout their AI journey. Chatzopoulos (2024) further states that AI has the possibility of increasing the value of consultants, but a part of this value is their strategy and management skills, something that AI cannot entirely replace. These competencies are essential for ensuring that AI projects align with the overall picture, such as broader strategic business goals, and that implementations are effective throughout the whole organization. However, Chatzopoulos (2024) also notes that technical competencies related to AI are becoming increasingly more necessary, as consultants will need to understand when and how to use AI effectively. Knowing the foundational AI technology allows consultants to enhance daily tasks and identify possible AI-driven business opportunities. Further, this knowledge is important to enable effective

communication with data scientists and IT professionals, who are an essential part of the AI journey (Chatzopoulos, 2024).

As Kaplan (2025) emphasizes, clients no longer hire consultants based on the need to process information or produce reports, as AI can now perform these tasks with both speed and scale. Instead, the real demand lies in the consultants' ability to synthesize AI-generated insights, navigate complexity, and translate recommendations into actionable business strategies. There will be a bigger emphasis on consultants' need to provide guidance and not just numbers. The real value lies in finding consultants who can work alongside AI and be able to deliver value that AI can not do alone. This shift redefines the consultant's role, placing new emphasis on both hard and soft skills (Kaplan, 2025).

### *2.4.2 The Uniquely Human Edge*

Soft skills, such as critical thinking, emotional intelligence, and strategic problem-solving, are emerging as particularly important. AI can process data and generate insights, but it cannot yet apply business judgment, facilitate alignment between stakeholders, or manage sensitive client relationships (Samohkvalov, 2024; Kaplan, 2025). Samohkvalov (2024) emphasises the need for human-in-the-loop, which is a collaborative approach that integrates human input and expertise into AI, as AI is not capable of independent implementation. Consultants must excel in human-centric abilities to complement the capabilities of AI tools and ensure that insights are correctly understood and ethically applied (Al-Masri et al., 2024). As Nilsson & Santos (2023) note, project managers, and by extension consultants, increasingly prioritize soft skills like innovation, ethics, and stakeholder management over traditional technical abilities, as AI handles the more repetitive analytical tasks. Consultants must, therefore, complement technical literacy with soft skills.

One proposed response to this is the evolution of the so-called "T-shaped consultant", presented in Figure 3, a professional with both deep expertise in a particular domain and broad knowledge across business, technology, and client contexts (Sutton & Fenn, 2019). In an era driven by technological advancements, there will still be a need for a human touch and someone who can conceptualize and interpret the AI-driven recommendations. This creates a demand for the consultant to understand the technology itself, its risks and challenges, while also possessing general strategic knowledge to apply it to.

Just as AI can tailor customer experiences to a high degree, it also necessitates a consultant who can provide help and guidance that goes beyond the capabilities of the technology itself (Hammer et al., 2021). This requires a consultant who not only understands the technical outputs of AI but also possesses the emotional intelligence, contextual awareness, and strategic thinking to craft solutions that are precisely tailored to the client's needs and context.

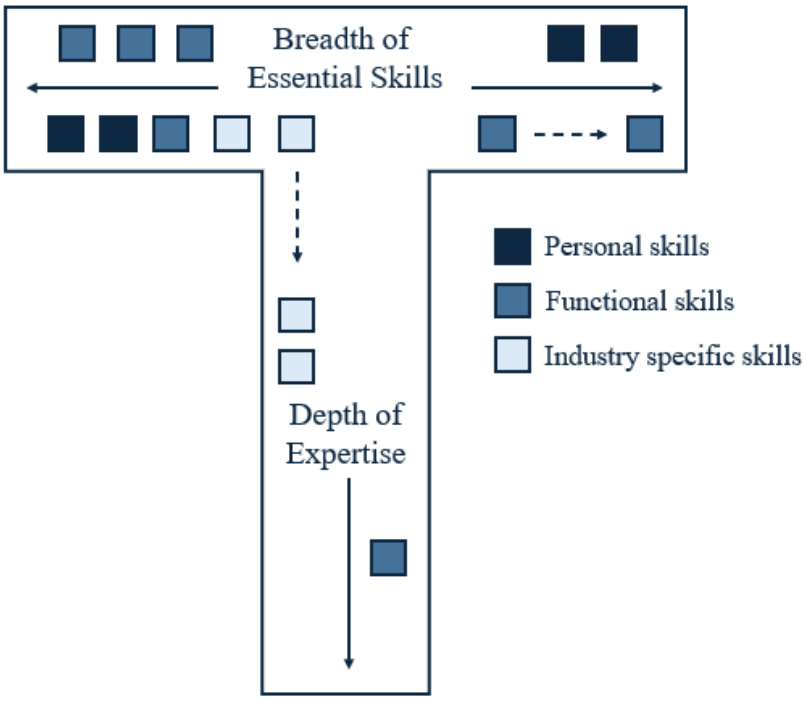


**Figure 3.** Illustration of a T-shaped skill box (Hammer et al., 2021)

This view aligns with Gao (2020), who argues that the democratization of information, combined with AI-driven data analysis, is changing the traditional advantage of consultants as knowledge brokers. As clients themselves gain access to powerful data tools and build internal expertise, consultants will increasingly be hired only for projects requiring highly specialized knowledge or deep industry insights. This shift suggests that the future of consulting will not reward either pure generalists or narrow specialists exclusively, but rather those able to integrate both perspectives, developing AI literacy alongside human competencies.

Ultimately, both Sutton and Fenn (2019) and Gao (2020) suggest that while AI changes the operational layer of consulting, the human layer grows even more essential. Future consultants will be required to work seamlessly alongside AI tools while maintaining the human qualities and expertise necessary to navigate uncertainty, communicate effectively, and deliver client-centered value.

### *2.4.3 Implications for Smaller Consulting Firms*

For small management consulting firms, AI represents not only a tool for efficiency but also something that can level the playing field in a competitive landscape (Sabarre et al., 2023). Unlike larger firms with more resources and already established infrastructures, smaller firms often face constraints in resources, making the automation of labor-intensive tasks especially valuable (Allam, 2023; Sabarre et al., 2023). AI enables these smaller firms to instead put more time and focus on higher-value activities like strategic planning and client relationship-building (Allam, 2023; Sabarre et al., 2023). This not only helps maximize the impact of limited resources but also allows smaller firms to compete on quality and insight, instead of capacity. Further, O'Neill (2025) highlights how previously scaling has been a big problem for small consulting firms, as the only way to scale was by hiring more consultants, something quite costly. AI now changes this by allowing small firms to scale and become more effective, enabling them to meet new and higher client demands (O'Neill, 2025).

However, the literature lacks significant focus on how AI affects particularly small management consulting firms.

## 2.5 Organizational AI Readiness: Enabling Adoption

Building on the previous section's focus on capability shifts, AI readiness extends beyond individual skill requirements to account for broader organizational readiness. While 2.4 highlighted the growing need for AI literacy and competence among consultants and clients, this section outlines the structural and cultural enablers that must be in place to translate skills into successful adoption.

### *2.5.1 Understanding AI Readiness*

As artificial intelligence continues to reshape industries, AI readiness has become a crucial concept for both organizations and the consulting firms that serve them (Holmstrom, 2022). Holmstrom (2022) highlights that there is a prominent gap between the AI hype implied by AI vendors and the actual use of AI in organizations, showing the clear need for AI-readiness efforts. AI readiness refers to the degree to which a company, including its processes, culture, infrastructure, and workforce, is prepared to adopt and integrate AI technologies in an effective way (Murtza & Murtza, 2023). In order for an organization to fully take advantage of the benefits of AI usage, it is essential to overcome the barriers between technology adoption and organizational readiness (Holmstrom, 2022).

### *2.5.2 Internal Readiness Within Consulting Firms*

From an internal perspective, AI readiness is increasingly relevant for management consulting firms themselves (Alexandre & Blanckaert, 2020). Successful AI adoption is not just a question of acquiring new tools, but also ensuring the right strategic mindset, technological literacy, and that enabling organizational structures are in place (Murtza & Murtza, 2023; Holmstrom, 2022). As highlighted by several researchers, a lack of AI readiness can result in missed opportunities, poor implementation, or over-reliance on generic tools without clear business alignment (Holmstrom, 2022; Alexandre & Blanckaert, 2020). Consulting firms must develop internal capabilities not only to use AI for their own productivity and service delivery but also to credibly advise clients on AI transformation (Alexandre & Blanckaert, 2020).

### *2.5.3 Client Readiness as a Gap to Bridge*

At the same time, AI readiness is becoming a critical assessment area for client organizations (Holmstrom, 2022). Many business leaders are eager to integrate AI as they recognize that it will play an important part in the performance, however, Holmstrom (2022) argues that they have little knowledge on how to actually utilize AI for said performance and outcome. Palade and Carutasu (2023) imply that there are five assessments areas on the organizational level needed to be ready for AI; Strategic alignment, Resources, Knowledge, Culture, and Data, all displayed in Figure 4. All these areas need to be assessed and ready, as they all have a clear impact on AI adoption. In their AI adoption, organizations face challenges related to data quality, technological fragmentation, cultural resistance, and unclear strategic priorities (Murtza & Murtza, 2022; Palade & Carutasu, 2023). These gaps create a growing need for external expertise, particularly from consultants who can guide companies through AI maturity assessments and structured roadmaps for adoption (Holmstrom, 2022). Murtza and Murtza (2024) further stress the importance and difficulties of embracing AI technology throughout the whole organization and shifting the company-wide mindset towards a positive attitude to the change.

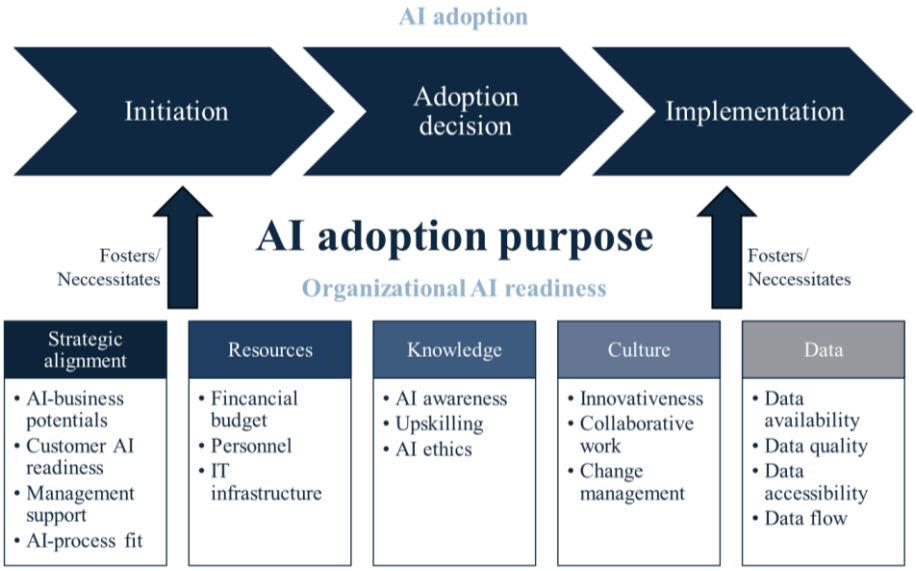


**Figure 4.** Adaptation of Palade and Carutasu's (2023) "Assessment areas for AI readiness"

### *2.5.4 Change Management as an Enabler*

The adoption of AI often demands extensive organizational transformation. As such, change management can function as a key enabler of AI readiness, helping firms address the cultural and structural barriers that can otherwise hinder successful implementation (Stefanova, 2023; Aad et al., 2024). Without active employee involvement and a clear change strategy, even robust AI initiatives may face internal resistance and fail to deliver value (Aad et al., 2024). Integrating change management with AI efforts helps organizations build trust, foster experimentation, and create alignment between strategy and actual execution.

The key challenges considering AI adoption were the skills of the employees and understanding the benefits AI brings (Aad et al., 2024), highlighting the crucial need for education in order to drive adoption. Furthermore, the authors mention that neglecting a change management plan for AI adoption may undermine the technology's potential since the firm risks facing a significant shortcoming in implementation (Aad et al., 2024). This, in turn, could result in sunk costs, operational inefficiency, decreased productivity, and competitive disadvantages (Aad et al., 2024).

To address this, Aad et al. (2024) propose a five-step framework centered on aligning vision, strategy, communication, experimentation, and feedback. While the specific steps vary by context, the key principle is clear: firms must manage AI transformation as a change journey, not a one-off deployment. This is reinforced by Bouly et al. (2024), who argue change should

be embraced as a key driver to support the fundamental transformations needed for comprehensive adoption.

In consulting, this is particularly important. Consultants play a dual role as users and advisors of AI. This means managing internal adoption while also helping clients navigate their own transitions. Change management is thus not only a way to ensure AI-readiness internally, but also a competency consultants must possess to deliver value externally (Vago, 2004).

# 3. Methodology

The following chapter addresses the choice of method and data collection for this study. It describes the overall research approach in more detail, focusing on the research strategy and approach. This chapter also entails limitations of the methodology and societal impact and ethical concerns.

## 3.1 Research Approach

This study takes a qualitative and abductive research approach to explore how AI is reshaping the management consulting industry. The methodology draws inspiration from the stepwise research design proposed by Dul and Hak (2008), shown in Figure 5, which consists of three phases: the preparation phase, the research phase, and the implications and report phase. This section focuses on the second phase, outlining how the research approach, strategy, and data collection were designed.

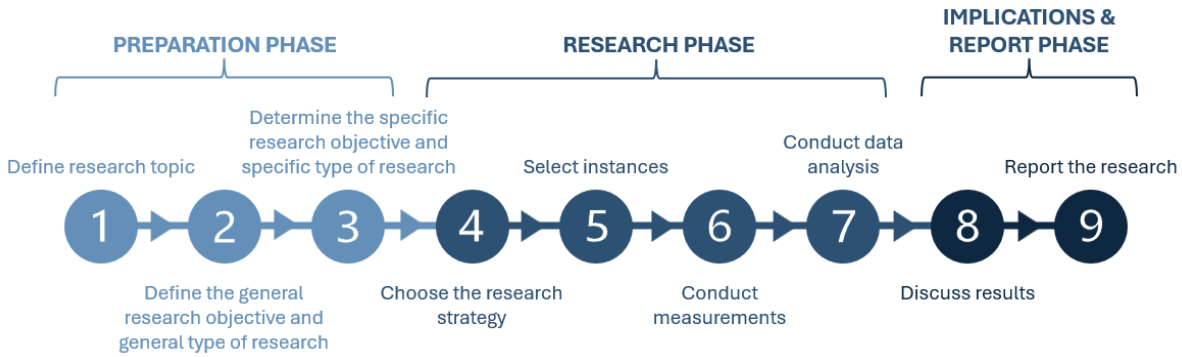


**Figure 5.** A stepwise approach to research (Dul & Hak, 2008)

### *3.1.1 Qualitative and Abductive Reasoning*

Given the aim to understand how consultants and clients perceive the role of AI as a transformative force, this study is grounded in qualitative research, which focuses on an in-depth understanding of a phenomenon through the eyes of the participants (Bell et al., 2022). Initially, the study explored a relatively unexplored topic area, allowing empirical data to guide the early stages of the research. However, as the analysis progressed, insights were iteratively compared with existing literature on consulting, AI transformation, and change management. This approach aligns with abductive reasoning, where theory and data are developed together to allow for the refinement of both when needed (Dubois & Gadde, 2002). Abductive reasoning is particularly appropriate when researching complex and evolving topics, such as the

integration of AI in consulting, where new patterns may emerge that challenge or refine the existing theoretical frameworks.

This study applies the logic of systematic combining, a form of abductive research process introduced by Dubois and Gadde (2002), where empirical observations and theoretical frameworks are developed iteratively and in parallel. Rather than following a linear process of starting with theory or data alone, systematic combining allows for continuous movement between the empirical insights and the conceptual framework. As new findings appear, they influence the theoretical lens, which in turn shapes further data collection and analysis.

In the context of this thesis, the initial exploration of AI in management consulting was theory-informed but not theory-bound, allowing for giving early direction and then redirection (Dubouis & Gadde, 2002). Early interviews helped identify themes that were then compared with existing literature on consulting. This back-and-forth process enabled refinement of both the research questions and the theoretical background. Thereby, systematic combining supported the emergence of a more nuanced understanding of how consultants and clients perceive AI's role, and helped develop relevant insights.

### *3.1.2 Literature Review*

The research process began by exploring and reviewing existing literature, with the aim of understanding what is already known about the topic and identifying relevant concepts and frameworks (Bell et al., 2022). This initial literature review helped establish the background to the study and guide the research questions.

However, in this study, the literature played a crucial role not only at the start but throughout the research, in line with the abductive and iterative nature of the research process.

Consistent with this approach, the literature review followed the principles of a narrative review, which, according to Bell et al. (2022), is aimed at generating understanding rather than producing findings. This aligns well with the explorative purpose of the thesis, which did not begin with fixed hypotheses but rather aimed to develop a deeper understanding of how AI is impacting the management consulting industry. Given the novelty and rather dynamic nature of the topic, the narrative review format was particularly suitable as it allowed for openness to surprising insights and the ability to adapt the literature scope as new themes emerged from the empirical work.

To find relevant literature, a search on electronic databases was conducted. The primary database was Chalmers Library's electronic database, to provide access to many published articles in the same place. Further, Google Scholar was also used to broaden the search. In order to find the right articles suitable for this thesis, several keywords were used to define the search. As this was a narrative review and an abductive process, there is an emphasis on being iterative, meaning that these keywords were processed and redefined along the way. The initial keywords developed were: MANAGEMENT/BUSINESS, CONSULTING, and AI/ARTIFICIAL INTELLIGENCE. These keywords were then refined during the study to further include CHANGE MANAGEMENT, READINESS, VALUE CREATION, and CAPABILITIES. Together, these keywords allowed for the filtering of articles that were suitable and provided value to this thesis. Further, the search process was also guided by backward citation searching to gather even more relevant literature.

### *3.1.3 Case Study Design*

To address the research questions, this study follows a case study approach, consisting of a primary case deepened by additional insights. Dul and Hak (2008) and Yin (2003) both argue that case study research is suitable when: the topic is broad and complex, context is important, and theory is underdeveloped, all are conditions that apply to this study.

The primary case in this research is Company X, a small management consulting firm working in the intersection of technology and business. Company X provides the main case enabling an in-depth exploration of how AI is currently understood and adopted in consulting.

To strengthen the richness and validity of the findings, additional insights were incorporated. These include:

- Seven interviews with consultants from five other small consulting firms (including one firm specializing in AI and one with a designated AI implementation leader).
- Two interviews with clients of Company X.

The design of the case study can be visualized in Figure 6.

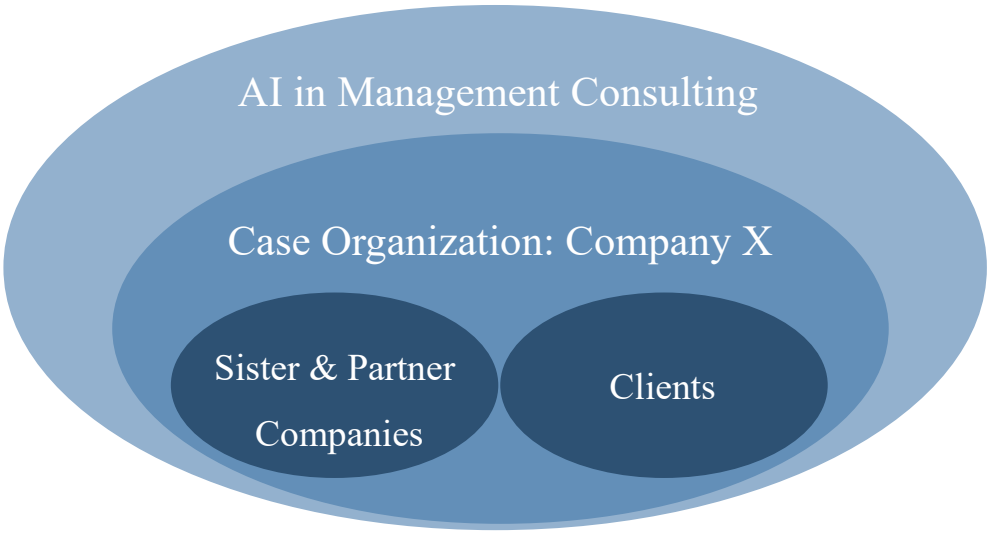


**Figure 6.** Case study design with additional insights, inspired by Yin (2003)

While the primary focus remains on Company X, these complementary perspectives help to contextualize findings and enhance the credibility of the study by identifying patterns across a wider range of actors in the consulting industry.

### *3.1.4 Case and Participant Selection*

The selection of Company X was based on its relevance to the research question. Company X is a small, relatively newly established management consulting firm that wishes to understand and explore implementing AI into its operations. The additional firms were selected based on their connection to Company X (sister firms or partners) and their varying degrees of AI maturity. Client participants were included to explore how the integration of AI is perceived from the demand side.

This sampling strategy aligns with Dul and Hak's (2008) recommendation to select similar cases when aiming to explore a common phenomenon across comparable contexts, while also allowing variation in roles and perspectives to enhance the depth of the research.

### *3.1.5 Interview Method*

The primary data collection method was semi-structured interviews, which provide a balance between consistency across interviews and the flexibility to explore themes in depth (Bell et al., 2022). A semi-structured interview guide was developed (see Appendix A & B) based on themes identified during the literature review, but was adapted throughout the process as new insights emerged.

The interviews were conducted between February and May and lasted between 30 and 45 minutes and were conducted in person or via video call, depending on availability. All interviews were recorded and transcribed to ensure accuracy and help with the analysis.

To provide an overview of the empirical material collected through interviews, Table 1 summarizes the 13 interviews conducted during the study, including details on the respondents' role, company type, and date.

**Table 1.** Overview of interview respondents

| Respondent no. | Type | Area | Role | Duration |
|---|---|---|---|---|
| 1 | Consultant | Management consulting | Partner | 38:26 |
| 2 | Consultant | Management consulting | Junior consultant | 46:16 |
| 3 | Consultant | Management consulting | Junior consultant | 42:43 |
| 4 | Consultant | Management consulting | CEO | 44:10 |
| 5 | Consultant | Tech consulting | CEO | 38:45 |
| 6 | Consultant | Tech consulting | CEO | 45:24 |
| 7 | Client | Industrial company | Part of technical team | 27:20 |
| 8 | Consultant | Tech consulting | CEO | 41:01 |
| 9 | Consultant | Tech consulting | AI-implementation leader | 28:23 |
| 10 | Client | Industrial company | Part of technical team | 46:30 |
| 11 | Consultant | Tech consulting | CEO | 44:02 |
| 12 | Consultant | Management consulting | Senior consultant | 30:33 |
| 13 | Consultant | Management consulting | CEO | 29:40 |

### *3.1.6 Data Analysis*

The data was analyzed using a thematic approach, which, according to Braun and Clarke (2006), is a flexible and accessible method for qualitative research. This approach was chosen because of its suitability for identifying and interpreting patterns across a relatively diverse interview dataset, such as the one in this study. Braun and Clarke (2006) describe thematic analysis as the process of identifying, analyzing, and reporting patterns (so-called themes) within data, which can both organize and describe the dataset in detail. The thematic analysis followed the six-step process outlined by Braun and Clarke (2006), which is shown in Figure 7.

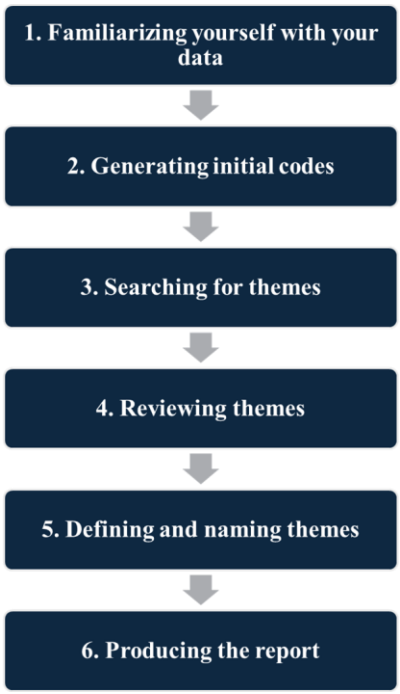


**Figure 7.** Overview of the different steps in the thematic analysis (Braun & Clarke, 2006)

The process of the thematic analysis began by identifying and paying attention to relevant themes and topics that emerged in the material (Braun & Clarke, 2006). The process ended when the content and implications of themes were reported. The analysis entailed a continuous movement back and forth between the gathered data, the coded extractions analyzed, and the review of data produced. Thus, it was possible to be agile and make changes along the way, which was beneficial since the nature of the study started off a bit unknown. Compared to statistical analysis, where writing is done in the latest stage, Braun and Clarke (2006) highlight that for thematic analysis, writing is a vital component of the analysis. Consequently, the authors propose that writing should start at the beginning and be a constant part of the entire process, which was followed in this thesis, where the literature review and findings were analyzed throughout the study.

Following Braun and Clarke's (2006) six-phase framework, the analysis began with a familiarization phase. Both authors read through all 13 interviews in full, some of which were manually transcribed and others transcribed with the help of Microsoft Teams' built-in feature (though this left some room for error and required follow-up clarification). We also reflected together on each interview immediately after conducting it, especially during the first phase of interviews with Company X. These reflections contributed to larger refinements of the interview guide after the first four interviews.

The second phase involved generating initial codes. Coding was conducted in Excel, and we split the interviews equally between us. Although the workload was divided, we discussed our interpretations and compared notes to ensure consistency and shared understanding. The codes captured both surface-level observations and more abstract interpretations related to the impact of AI on the consulting industry.

In the third phase, we began grouping the codes into preliminary themes. We aimed to stay relatively abstract in our theme construction, not purely repeating what was said, but capturing the essence of underlying ideas. This step was guided both by inductive insights from the data and by relevance to our research questions. We iterated on these themes through repeated discussions, gradually refining their content and structure.

Some examples of code-to-theme mapping include:

- *Theme:* Value Creation and Competitive Advantage
    - *Codes:* Efficiency, Automation, Adaptive to change, Clients value AI, Difficult to measure value, Business models, and more.

The fourth phase focused on reviewing and refining the themes. Here, we ensured that each theme was internally coherent and externally distinct, revisiting the coded sentences and identifying any missing or miscategorized data. We also grouped some themes to improve the overall flow and narrative of the findings in Chapter 5.

In the fifth phase, we defined and named the final themes. This involved clarifying what each theme represented, how it connected to the broader research questions, and what made it unique. Some codes that did not initially fit were either excluded or merged into overarching themes. We tried to ensure that each theme contributed something meaningful to our understanding of how AI is reshaping consulting and could be connected back to the research questions.

Finally, in phase six, we integrated the themes into the written findings. The findings are not just descriptive but aim to build a well-supported argument that answers our research questions, as outlined in Section 1.2.3. Several quotes were chosen to be represented in the text to help highlight the themes and engage the reader.

## 3.2 Implications and Report

The third and final phase of the research approach concerns the implications and reporting of the study (Dul & Hak, 2008). In this phase, the findings of the research were analyzed and then discussed and presented in relation to the research questions.

The implications were divided into theoretical contribution, showing how the study added to existing literature and bridged gaps, as well as the practical implications, showcasing how the study could be applied.

For this study, the end goal was to develop actionable frameworks and recommendations for how small management consulting firms can effectively leverage AI. These frameworks were derived from the empirical findings in combination with the theoretical background and focused on targeting the changing role of the management consulting environment, how to overcome risks with AI integration, and approaches to positioning a firm for long-term success in the changing consulting landscape

## 3.3 Limitations of Methodology

As in most qualitative research, this study faces limitations related to theoretical saturation, generalizability, and researcher subjectivity. Bell et al. (2022) highlight the challenge of determining when theoretical saturation is achieved, when additional interviews no longer generate new insights. Since it is impossible to predict in advance what each interview will contribute, this presents a difficulty in defining an optimal sample size. In our case, the number of interviews was constrained by the limited number of available and willing respondents, particularly within the primary case company and its related firms. Although we conducted 13 interviews, it is possible that additional interviews could have yielded new perspectives, especially from other types of consulting firms or clients.

Another limitation is the issue of generalizability. As Bell et al. (2022) emphasize, the findings of qualitative case studies are not intended to be statistically generalized. Instead, they can be transferable to similar contexts through what is known as case-to-case transfer. In our study, this means that the insights generated may be applicable to other management consulting firms with similar characteristics, but care should be taken in moving too far beyond that. The specificity of the AI context and smaller firm culture also limit broad application.

There are also some practical limitations worth noting. Transcriptions were done partly using Microsoft Teams' automatic transcription tool, which was not always very accurate. Although corrections were made, there is a risk that some nuances or phrasing may have been misrepresented. Additionally, it is also important to mention that the interviews were conducted in Swedish, as this was the first language of both the authors of this study as well as all the respondents. While this ensured more natural and in-depth discussions, it also introduced a limitation in the translation process. When illustrative quotes were later translated into English for inclusion in the findings section, some nuances in wording or meaning may have been lost or slightly altered. Moreover, our analysis involved coding in Excel and was conducted collaboratively, but with an initial division of work. Despite our efforts to cross-check and align interpretations, the natural subjectivity of qualitative coding may still have influenced how certain themes were constructed, which could lower the inter-rater reliability (Bell et al., 2022).

Lastly, the iterative development of the interview guide, while helpful in improving relevance, also means that not all participants were asked identical questions. This may have influenced the comparability of responses across the interviews.

These limitations do not invalidate the study's findings but should be kept in mind when interpreting its implications.

## 3.4 Societal Impact and Ethical Concerns of the Research

The rise of generative AI is reshaping industries, economies, and workforces, with management consulting being no exception. While AI enhances efficiency and innovation, it also raises critical ethical concerns, including automation's impact on employment, shifts in decision-making processes, and the long-term implications for sustainability. Given the societal consequences of these transformations, it is essential to study how generative AI is influencing the management consulting industry, not only in terms of business performance but also in addressing its broader ethical and economic implications. This section examines both the risks and opportunities that AI presents within the industry and beyond.

### *3.4.1 Societal Impact*

The adoption of generative AI in management consulting is driving fundamental shifts, for instance, regarding work processes, creativity, and accessibility. Obrenovic et al. (2024) argue that it empowers individuals to produce personalized content more effectively, enabling them to be creative in different ways than before. Moreover, involvement and user satisfaction may

be influenced positively, and the effects are particularly prominent in the creation of innovative ideas (Obrenovic et al., 2024). This will result in an overall positive effect for management consulting firms, ultimately generating spill-over effects to society.

Beyond efficiency, generative AI also contributes to greater inclusivity and accessibility. Obrenovic et al. (2024) emphasize the potential of generative AI to assist humans with language barriers, disabilities, or unique learning requirements. Furthermore, generative AI provides automation possibilities and continuous availability (Baldassarre et al., 2023). According to Baldassarre et al. (2023), the latter offers value in healthcare, commercial, and educational situations. However, it is essential to strike a balance between automation and human expertise to ensure that creativity, critical thinking, and nuanced decision-making are not lost in the process.

While the factors above are just a glimpse of generative AI, there is no doubt that it brings a wide range of positive effects to the table. However, there are always two sides to the coin. The fast evolution of generative AI entails consequences for the environment, with an increase in water consumption and electricity demand (Zewe, 2025). Moreover, Zewe (2025) argues that it eventually results in heightened emissions of carbon dioxide. Additionally, extracting raw materials needed for the fabrication of components does come with environmental consequences, potentially involving harmful mining practices and the utilization of dangerous chemicals (Zewe, 2025).

### *3.4.2 Ethical Concerns*

The integration of AI into management consulting does not come without concerns, as already established in the literature review. One of the primary challenges relates to fairness and preventing discrimination (Pattanayak, 2021). As generative AI models learn from training on existing data, it is not seldom that this data introduces biases, which the AI model then adapts to and uses in its forthcoming decision-making.

Another issue is the one of transparency (Pattanayak, 2021). AI models can appear to be like a black box, and it is difficult to understand and grasp the whole decision-making process. This raises concerns about validity and reliability, as it is hard to trace the steps and see the whole chain of actions leading up to the final result.

Lastly, the use of AI generates data security concerns. Management consulting firms deal with a lot of confidential client data, making it important to adhere to data privacy regulations. As

AI models continuously learn and adapt to new information, they will use and store this data, which might go against consent and policies.

# 4. Findings

This chapter presents the key insights from the interviews, focusing on how AI is shaping the management consulting industry. The structure of this chapter mirrors the transformation journey consulting firms experience with AI, illustrated in Figure 8. It begins by outlining the current state of AI adoption and integration before moving into how AI is reshaping consulting work. The third section highlights the evolving capabilities required from consultants to enable optimal AI usage, merging both technical and distinctly human competencies. The fourth section explores AI's value contribution and challenges in measuring it.

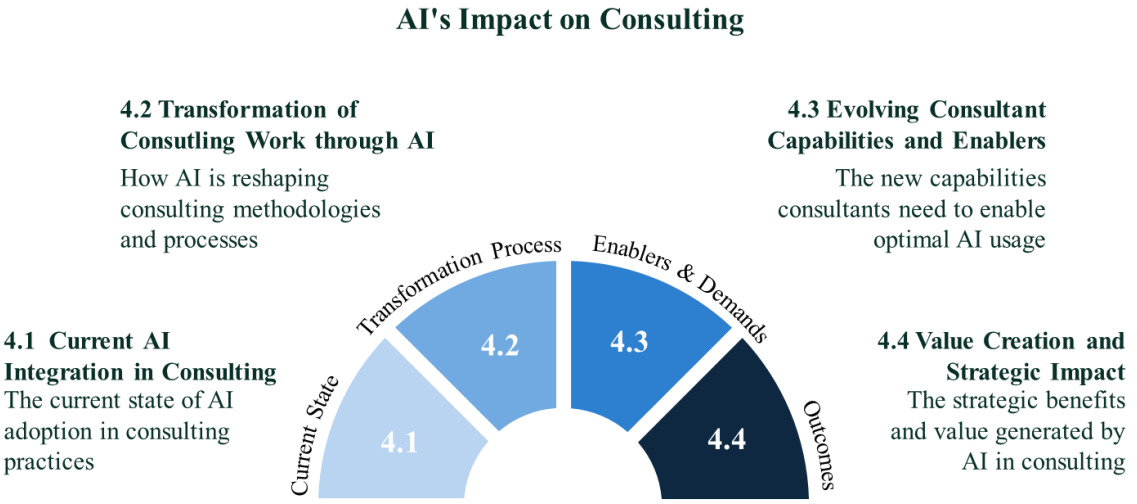


**Figure 8.** A schematic view of the findings chapter

## 4.1 Current AI Integration in Consulting

AI is widely discussed across the consulting industry, but integration work and implementation efforts vary significantly today. Interviews reveal a fragmented landscape, with some consulting firms exploring strategic applications while others have barely begun. This variation reflects both the potential of AI and the challenges consulting firms face in turning interest into impact.

### *4.1.1 Varying Maturity Levels of AI Adoption within Consulting Firms*

A recurring theme among the respondents was the low maturity level of AI adoption within many consulting firms. While the topic is widely discussed, actual implementation is often limited in scope or ambition. Several respondents emphasized how quickly AI tools evolve and

how much potential remains untapped, acknowledging the currently low maturity. As one respondent put it:

> *"*We've *got to learn to make the most of all that AI can provide; I bet we're only tapping into 10-20% of it"* - Respondent 2

Despite the understanding of AI's potential and the need to work with it, many consulting firms are uncertain about how to unlock it. They often struggle to move from idea to execution, lacking both clarity and competence. As one interviewee reflected:

> *"The industry in general is happy to throw AI around but doesn't understand what it is . . . Everyone says 'we have to work with it', but what are we supposed to do with it?"* - Respondent 1

This statement captures the common gap between aspiration and reality. Rather than making thoughtful choices about where and how AI should be used, some consulting firms engage with the technology superficially, more for appearances than for value, since AI is currently seen as a symbol of modernity and innovation. Several respondents noted that organizations are eager to associate themselves with AI to enhance their image. Others recognize the opportunity but remain held back by inertia, structural complexity, or outdated routines. As one respondent described it:

> *"The consulting industry ... was very sluggish and strange in how it worked in Sweden. ... It felt like it's something you need to change, and therefore I also think it's super, super, super interesting this thing with AI and the whole AI trend that comes and happens. I usually say that it's like a horse and carriage and the engine that has come, today or as in the past, companies bought consultants as horses, six of them to pull this carriage, but now there is suddenly an engine that is the power of AI where we instead need a chauffeur who can handle that engine that can generate so much more horsepower."* - Respondent 8

In response to these changes in the industry, different consulting firms have adopted different strategies. Some concentrate AI competence in a few individuals to build critical mass more quickly, while others push for organization-wide upskilling. However, in both cases, progress is uneven and often dependent on personal motivation, leadership, and company culture. One challenge identified repeatedly is the generational divide. Younger employees tend to adopt AI

more naturally, often using it in education or other settings. Older colleagues, meanwhile, may view the tools with more skepticism or concern. This dynamic can create friction if not handled carefully:

> *"I think there can also be irritation. There are some, both, but perhaps especially in older generations, who think they should talk more and ask ChatGPT less, so it is also something to be mindful about"* - Respondent 11

Moreover, large consulting firms, compared to small ones, often face structural barriers that slow down AI adoption. Many decision-makers are hesitant to take risks, and one respondent mentioned legal barriers and budgeting inertia as barriers. This makes it hard for consultants to drive innovation, even when the potential gains are clear. Instead of leading, the same respondent preferred to wait and follow others' success. While being a frontrunner may be risky, being too cautious carries long-term risks. As the respondent pointed out:

> *"In 20 years we will talk about AI in the same way we talk about the internet today, so 'we are a company that uses the internet' just sounds insane to say, of course you do that"* - Respondent 8

### *4.1.2 Varying Strategic Orientation and Priorities within Consulting Firms*

While maturity levels vary, several consulting firms have begun articulating clearer strategic approaches to AI adoption. Some have embraced AI as a strategic necessity and are experimenting to find where it adds the most value. Rather than viewing implementation as a linear process, successful consulting firms recognize that AI integration requires continuous learning, iteration, and adjustment. One such example comes from a consulting firm that made AI part of its long-term vision by structured internal training and investing in capability-building through hiring a dedicated expert:

> *"Extremely bullish and positive about it, and that's because we think it's a train that's going that we need to be on and manage. ... We've brought in a person ... who is currently running and working with AI workshops. ... That means workshops, trainings internally and it's a lot of other things like that."* - Respondent 8

Moreover, several respondents predicted AI will become deeply embedded in everyday operations, and consulting firms that fail to prepare risk becoming obsolete. As one respondent forecasted:

> *"The rate of use will increase significantly over the next five years, in ten years I think that basically everyone in this industry will use it in one way or another."* - Respondent 2

These reflections suggest that consulting firms need to take a proactive approach, and some are not waiting to be disrupted. Instead, they shape their future by redefining strategies and setting high ambitions for AI. One respondent described how their company views AI not just as a support function, but as a space where they aim to be market leaders:

> *"We have as strategy ... that we will be a very AI-driven company, we will be very good at using AI tools in our work. There aren't many other consultancies in our niche with tech and design that have really taken that position."* - Respondent 8

Instead of waiting for a perfect roadmap, the most future-ready consulting firms are experimenting, building internal capabilities, and aligning AI efforts with broader business goals. As AI shifts from buzzword to core operational capability, these investments must be guided by strategic intent rather than a desire to appear technologically advanced. Otherwise, firms risk wasting resources and damaging their credibility. Importantly, successful integration also depends on external factors, especially the readiness of clients to engage with AI-enabled services, as explored in the following section.

### *4.1.3 Varying Client Maturity in AI Adoption*

Clients generally show lower levels of AI maturity compared to consulting firms, with many still in early exploration phases. Most lack the internal competence to effectively lead AI-driven projects, and few have articulated a clear strategy for how AI should support their core business. This uncertainty limits the potential for more transformative implementations.

Still, AI is no longer met with skepticism. As one respondent put it:

> *"AI is such a broad concept, so it's a bit like talking about electricity or something. It's easy for everyone to want electricity, but no one really knows what to do with it. So it's important to find use cases that are concrete that people understand, because almost no one says no to AI."* - Respondent 9

This reflects the growing normalization of AI among clients. Some have even begun including AI-related skills in requirement profiles and project descriptions. It is not questioned *whether* AI should be used, but *how* and *where* it creates value. Still, the increasing openness also brings

rising expectations. Clients often hope that AI will lead to something magical, which puts pressure on organizations to manage not just the technology but also the resulting workload and complexity. As the same respondent explained:

> *"If you think that we can do ten times more things, then there will be ten times more products to keep in order so that even more people will be needed. ... The customer always wants more. So it's kind of insatiable how much you want all the time.* - Respondent 9

This underscores a key challenge: AI does not necessarily reduce workload; it redistributes it, often creating new demands for execution, oversight, and decision-making. As such, consultants must help clients think beyond short-term gains and consider how AI reshapes their operating models.

While many clients remain immature in their AI integration, there are exceptions. One client firm moved from fragmented experimentation to coordinated efforts by organizing AI workshops across departments. This allowed them to prioritize investments based on actual business needs, an important step toward scaling beyond pilot projects and aligning AI with core strategic goals.

Ultimately, client firms' openness to AI shapes what is possible in practice for consulting firms. If they do not have a clear strategy, internal competence, and readiness to adapt operations, even advanced AI initiatives risk becoming underutilized or misaligned with long-term goals. In this context, consultants must bridge the gap between potential and practical value and help clients move from high expectations to actionable and sustainable AI integration.

### *4.1.4 Implementation Barriers and Misalignment with AI's Development Pace*

While both consulting firms and their clients are becoming increasingly aware of AI's potential, they continue to face practical barriers that hinder meaningful implementation. These barriers often stem from internal misalignments, limited capabilities, and a rapidly evolving technological landscape. One respondent noted that while the core principles of AI are not new, the difference today lies in its practical applicability; AI is finally becoming usable at scale. Yet, many consulting firms struggle to translate this potential into action. As one respondent described it:

> *We're sort of in the middle of an industrial revolution that we won't be able to see the results of or what's really going on until afterwards. ... Because we're in the middle of it, and then you're blind.* - Respondent 6

The speed of development is outpacing traditional structures, particularly within technical teams, leaving client firms unsure whether to invest in building internal capabilities or rely on external expertise. Many clients opt for the latter, bringing in consultants who can deliver quick results without long-term investments. Still, despite this urgency, many consultants feel stuck at the starting line, and several respondents described how hard it is to know where to begin when approaching clients. AI often feels too abstract, which makes it difficult to build buy-in or justify investments.

Practical barriers also persist. Tight budgets, unclear return on investment, and organizational inertia all slow progress. Even when ambition exists, stakeholders may hesitate to fund AI initiatives without concrete proof of value. In some firms, AI remains a low priority altogether, overshadowed by other operational concerns. As one respondent put it:

> *"What would we do differently? Because I don't see that the needs are really, really, like this, so big."* - Respondent 1

A major barrier to tapping into this potential is the absence of clear frameworks and structured training. One respondent noted that if individuals are not already comfortable with AI tools, this absence of guidance may result in employees avoiding engaging with AI altogether. This creates a capability gap, not due to a lack of intelligence or interest, but due to a lack of guidance. Even when tools provide building blocks, it is often up to the individual to construct something useful themselves. Without a strong grasp of one's data or how to prompt and refine output, the quality of results suffers.

A recurring theme is the disconnect between those driving innovation and those controlling resources. Without shared understanding between technical experts and budget holders, promising initiatives stall. Further, a limiting factor in AI implementation is the concerns about data privacy and security when using AI tools. While many of the consulting firms interviewed offer AI solutions within secure workspaces (such as Enterprise account on ChatGPT), there was still considerable uncertainty about data storage and usage.

> *"You shouldn't input sensitive information. I use it with caution even though the workspace [in ChatGPT] at Company A is supposed to be secure."* - Respondent 2

Several respondents expressed that the storage and handling of data when using AI tools, such as ChatGPT, are unclear and potentially concerning. Due to this, it was common to try to anonymize or modify the information before entering it into AI tools. However, many respondents still experience hesitation in using AI due to the limited insight into data security.

External constraints also add to the implementation barriers. Legal requirements, industry-specific regulations, and compliance processes often lag behind technological development, slowing down adoption despite market hype. The result is a tension between the speed of today's technological development and slower organizational structures.

Several respondents also warned of the long-term risks of hesitation. As one respondent argued:

> *"So those who can't, won't, or don't dare to be open and embrace this as a company are going to have super problems, we've seen so many companies. They're going to die, it will be a nice elephant graveyard soon"* - Respondent 11

This underscores the urgency of overcoming implementation barriers. While AI adoption involves risks, ranging from unclear returns to safety concerns, the greatest risk may be inaction. As the pace of technological change continues to be high, standing still could prove far more costly than moving forward with imperfect, but strategic, steps.

## 4.2 Transformation of Consulting Work through AI

This chapter examines how AI is transforming the way consultants work in practice. Beyond individual tools, AI is changing how consultants brainstorm, search for information, structure data, and deliver client value. It enables faster workflows, greater customization, and more scalable solutions. As a result, AI is not only streamlining tasks, but it is also reshaping the consultant's role and the skills required to succeed.

### *4.2.1 AI as a Catalyst in Early Work Stages*

One of the most prominent shifts in how consultants use AI tools is the way they integrate them into the earliest phases of their work. Rather than replacing human input, AI is increasingly used as a thought partner, in other words, a tool for ideation, brainstorming, and refined

thinking. Several respondents described how AI helps them explore ideas, structure their thoughts, or evaluate development needs in a dialogical manner. Instead of asking AI to deliver final outputs, they engage with it interactively, using it to sharpen their thinking or generate alternative angles. In practice, this includes asking AI for potential barriers among customers or prompting it to generate short summaries and creative suggestions for client work.

Many respondents also reported using AI as a stepping stone to get the ball rolling. Rather than using AI to produce entire deliverables, respondents described how it helps set a direction or suggest an initial outline. For example, AI might help draft the skeleton of a report, structure messy notes into coherent formats, or shape raw data into a starting point. One respondent noted:

> *"Very little from scratch, like I ask a completely open question but very often I use it to like; this is what I want to say"* - Respondent 1

In these cases, the value of AI lies not in replacing human thinking but in accelerating it, particularly in the early phases of work, by helping users move faster from uncertainty to clarity. In short, providing initial direction when starting from a blank page.

### *4.2.2 The New Consultant AI Toolbox*

Beyond the broader uses of AI as a partner in thinking, consultants increasingly rely on a variety of specialized tools that embed AI capabilities into daily workflows. These range from well-known chatbots like ChatGPT, Copilot, and Claude, to more tailored applications such as Fireflies (meeting notes), Sana Labs (learning and transcriptions), and AI-enhanced CRM and recruiting systems like HubSpot and TeamTailor. These tools assist with everything from summarizing conversations and formatting emails to analyzing candidate profiles and mapping internal competencies.

Many respondents reported using generative tools instead of traditional search platforms, i.e., AI as a search engine. This includes prompting AI to deliver summaries of internal data or serve as an interface to explore topics they would otherwise Google. It was clearly emphasized that prompting is not a single task, but an iterative process. The more you engage with the tool, the better it gets. As one respondent put it:

> *"The first output you get it might not always be spot on, but as you kind of chat and keep prompting it gets more and more accurate as time goes on. ... The better you*

> *prompt the better output you get, I think anyway. You should not be lazy with prompting"* - Respondent 2

Moreover, several respondents used AI to access information in areas where they do not have expertise. Instead of sorting through multiple sources, consultants can now easily access condensed overviews and preliminary answers almost instantly. However, this new convenience also introduces a new type of challenge: when information is presented as packaged insights, it becomes harder to spot inaccuracies, especially in unknown areas. As AI reduces the barriers of accessing information, it simultaneously increases the importance of validating the output, especially when consultants rely on AI to navigate areas where they lack deep expertise.

Some respondents also reported leveraging advanced functions like "Deep Research", where AI was used to generate detailed competitive analyses. These tools can uncover insights that might otherwise be scattered across online sources, such as mapping competitors' positioning. While this allows consultants to rapidly build knowledge and prepare for client meetings with greater depth, it also demands new skills in critically assessing AI-generated insights, as previously mentioned.

What emerges is not a single AI tool, but an ecosystem of complementary tools that allow consultants to scale their capacity, navigate complexity, and integrate data flows across multiple platforms. AI is no longer limited to discrete tasks but is an integral part of the consultancy toolbox. This ecosystem is becoming essential for staying competitive, as clients begin to expect faster insights, more tailored solutions, and a seamless integration of digital capabilities. Without a comprehensive AI toolbox, firms risk falling behind both in terms of speed, relevance, and quality.

### *4.2.3 Freeing Time for What Matters through AI*

One of the most widely acknowledged benefits in the interviews is AI's ability to save time. Not by replacing core activities, but by speeding up processes or removing repetitive tasks. Several respondents emphasized that this time-saving effect creates space for higher-quality, human-centered work. As one respondent put it:

> *"I've wished all my life that I had more hours in the day, and now I can claim that I do. ... Here's the No. 1 enabler for us: all the time we free up with these tools allows me to spend more time with you, more time to understand who you are, what you want, and*

> *what you can contribute. AI is great for human interaction, if you use that free time to interact with people."* - Respondent 11

Rather than viewing automation as a replacement, AI enables consultants to focus on the work that matters most: client interactions, critical thinking, and problem-solving. These gains are especially valued when it comes to minimizing administrative burdens or speeding up monotonous data tasks.

AI also offers significant potential to help consultants make sense of large amounts of data, something that has long been both time-consuming and resource intensive. While many firms already possess extensive internal databases, these assets often remain underutilized due to their size, fragmentation, or lack of structure. Several respondents pointed out that AI could serve as a key enabler in unlocking this unused value. With its ability to detect patterns, categorize content, and connect dots across vast datasets, AI makes it possible to rapidly extract relevant insights.

Instead of replacing analysis, AI helps consultants get up to speed faster by tapping into both broad and deep knowledge already stored within the company, allowing them to focus more quickly on the real problem. As these tools improve, data is likely to shift from being a static resource to something that actively drives insight and creates a competitive edge.

Customization was another area where AI demonstrated value. In one example, a transparent salary model was developed with support from ChatGPT, enabling a tailored framework for internal compensation. This suggests that AI is not only being used to replicate existing processes more efficiently but also to design new, personalized structures that align with organizational needs.

Experimentation plays a key role in this development. In several consulting firms, consultants were actively encouraged to test different tools and workflows to find the best personal fit, with costs covered centrally. This reflects a broader mindset shift where flexibility, exploration, and customization are prioritized over one-size-fits-all solutions.

### *4.2.4 Consultants Moving from Executor to Coordinator*

As AI becomes more deeply embedded in consulting workflows, it is not only tasks that are changing, but roles as well. The introduction of tools that can summarize data, draft initial content, or suggest overall improvements has prompted a shift in what consultants are expected

to contribute. Many of the traditional responsibilities, such as analysis or synthesis of information, can now be accelerated or partially handled by AI. This creates a transition where consultants move from primarily executing work to guiding, coordinating, and adding strategic value.

One respondent pointed out that while AI can assist in processing and organizing, it cannot replace the human capacity to cross-check, interpret, and translate data into business-relevant insight. As data becomes easier to access, consultants are increasingly valued for their ability to combine that information with softer skills such as facilitation, empathy, and strategic thinking. This mix of personal capabilities combined with AI literacy is becoming a defining trait of the modern consultant.

This evolution also means that consulting firms will need to guide not only their own teams through their AI journey, but also clients. As one respondent explained, when clients lack in-house capabilities, they will be reliant on consultants to step in, not just with answers, but with frameworks and tools to help clients build their own capacity. Hence, the consultant's role will expand beyond delivering recommendations to becoming enablers and coordinators of transformation.

The transformation is also reflected in how the role of consultants has changed when working with AI. Rather than using AI solely for repetitive tasks, some now interact with AI as an active part of their cognitive process. As one respondent described:

> *"A lot of my work depends on like making big, tough decisions or strategic things ... where AI ... can't do the job of thinking for me* yet*, we'll see when that comes, but what it can do is when I scribble down a bit quickly what I'm thinking, it can just express it in more detail. ... I use a lot and talk to AI, ... it's changed a lot of how you work, ... I'm at least starting to feel more and more like someone who manages different things instead of sitting and doing it myself"* - Respondent 8

This quote illustrates a deeper shift: the consultant is no longer only a doer but increasingly a coordinator, someone who directs, assesses, and enhances what AI produces. This shift requires new ways of thinking and working, where value lies in judgment and coordination rather than production alone.

This is especially visible among developers and technical consultants. One respondent explained that the role of developers is moving from reactive to proactive and counseling. They are expected to understand client needs more deeply and translate them into both prompts and code. It is no longer sufficient to be technically proficient; one must also understand the business and development from a larger point of view, being more like a Swiss-Army knife. The shift described among developers and technical consultants, from a reactive, execution-oriented role to a proactive, advisory one, mirrors a broader trend that is also relevant to management consulting.

The ability to integrate these perspectives was confirmed by another respondent who highlighted that real value lies in connecting the dots and delivering full, tailored solutions, not just isolated pieces:

> *"The expertise for the overall solution, because AI can provide you with the right guidance, the right parts of what you're looking for, but to weave this whole cycle together. ... You can throw it into ChatGPT as well, but then we don't ensure the quality in the same way. ... Consulting firms will be able to offer this holistic approach that you're looking for in all parts, and not just the expertise itself." - Respondent 10*

This statement captures what is likely to be a long-term shift in consulting work: as AI becomes more capable of handling isolated tasks, the consultant's advantage will increasingly come from their ability to architect and deliver holistic, customized solutions. It is not about being the only expert in the room, but about being the one who can combine people, data, tools, and strategy into something coherent and valuable. Further, this quote highlights how consultants still remain important quality coordinators, looking over work and ensuring that quality lives up to expectations and demands.

Finally, AI also appears to play a growing role in democratizing access to knowledge. Insights and analysis that were previously locked in the heads of experienced consultants or buried in internal reports can now be explored by more people. This shift allows clients to engage with information that previously required expert interpretation. As a result, the consultant's role is gradually evolving: from being a sole expert to an enabler. In this new business landscape, where access to information is no longer a constraint, value is increasingly created through the ability to contextualize, prioritize, and act on that information. For consulting firms, this means

staying relevant not by controlling knowledge, but by helping teams and clients use it more effectively.

## 4.3 Evolving Consultant Capabilities and Enablers

As AI tools become embedded in consulting workflows, the consultant's role changes, as previously explained. New competencies are emerging, not only in using AI tools, but also in thinking critically, adapting continuously, and connecting business needs with technological possibilities. This chapter explores the skillsets, mindsets, and learning practices consultants need to stay relevant in the new business landscape.

### *4.3.1 Change Management as a Core Enabler*

Successfully integrating AI requires more than implementing new tools; it demands deep cultural change, internal alignment, and ongoing leadership. Many respondents emphasized that aligning people and structures is one of the most critical parts of AI transformation. It is not a technical challenge alone, but a human one, which puts pressure on consulting firms to enable this shift. This positions change management not just as a support function, but as a strategic capability needed to drive successful transformation.

On a structural level, internal coordination and shared direction are essential. Smaller consulting firms often have an advantage due to flatter hierarchies, as shorter decision paths allow for quicker feedback and a culture that encourages experimentation. In contrast, larger consulting firms frequently encounter internal resistance and siloed decision-making. As one respondent noted:

> *"Ideally, I would have liked us to be five people, or ten people, that is small enough, because then you can make changes much faster and easier. ... They [companies with 100 or 1000 employees] are, quite frankly [screwed], ... if they don't make big, drastic changes."* - Respondent 8

Another respondent warned that failing to adapt today could result in the same fate as companies like Kodak, Nokia, and Hasselblad, once dominant players that were left behind by technological shifts. Regardless of firm size, several respondents stressed that a shared vision is essential to avoid internal bottlenecks:

> *"I'm pretty convinced that you have to get the whole company on board because we find that where you only have, for example, one manager who thinks that now we're*

> *going to work on this, it becomes very difficult to move forward in the projects, because there is potentially someone who owns some right for you to move forward who is not at all on board and who is very worried that, 'well, now my position here is being jeopardized', so you need to work with change management."* - Respondent 5

To address this, some consulting firms have formalized roles and structures to coordinate AI initiatives, such as a dedicated AI project owner to ensure accountability and alignment. However, alignment is not just structural, it is also cultural. Several respondents underscored the importance of creating a culture where experimentation is encouraged, dissent is accepted, and learning is continuous. These are not passive conditions, but capabilities that must be actively achieved. As one respondent noted:

> *"Involvement, involvement, involvement. I'm fast, I'm a manager, but I'm not right. Leaders must have the patience to be aware. To have a tolerant organization that allows dissenters, that allows naysayers, but that is always based on external monitoring."* - Respondent 11

Creating such a culture requires an intentional shift in how change is approached and practiced across consulting firms. Policies may set guardrails, but everyday habits and attitudes shape how AI is adopted in practice. As one respondent noted, formal policies may help prevent misuse but do little to support actual integration. However, another respondent noted that if individuals are not already comfortable with AI tools, an absence of guidance may result in employees avoiding engaging with AI altogether.

At the individual level, responses to AI vary widely. While some people embrace new tools, others hesitate until they see how AI connects to their role. In several consulting firms, openness, curiosity, and responsiveness to change were expected regardless of personal enthusiasm, and consultants were encouraged to actively search for new ways of working. Several respondents emphasized the importance of relevance, empathy, and practical value when driving change. Rather than pushing adoption through top-down approaches, people should be met where they are and be shown clear, contextual value.

> *"Humans are ... creatures of habit, ... happy to do what you've always done. ... I kind of had to break free from these tracks."* - Respondent 9

This places a dual responsibility on consulting firms: to build internal adaptability while also guiding clients through their own transformation journey. Internally, consulting firms must foster a culture that embraces change, experimentation, and learning. Externally, they must act as trusted partners, helping clients navigate uncertainty, overcome resistance, and translate AI's potential into meaningful business outcomes.

Several respondents concluded that keeping pace with AI is no longer optional. The real enabler is adaptability, and that stems from embedding change capability into the consulting firm, not just in processes, but in its mindset and routines. Consulting firms that institutionalize this will be far better positioned to adapt, innovate, and lead as AI evolves.

### *4.3.2 Broader and Deeper Skillsets: The T-Shaped Consultant*

In a world where AI can automate narrow tasks and provide fast answers, the human consultant's value increasingly lies in connecting the dots. Several respondents emphasized the importance of being able to work across different areas and synthesize insights into meaningful strategies. It will be crucial to be able to stitch together a bigger picture by understanding problems in a broader context rather than just solving isolated issues.

The need for a T-shaped skillset, a combination of broad understanding and deep expertise, is an important theme, and consultants must be both broad and deep in their knowledge capabilities. In the interviews, one respondent explained how AI plays a role in this dynamic by helping the organization to go deeper in areas where they are not experts. That, in turn, enables them to be broader due to freed-up capacities. Hence, AI allows them to stretch the T in both directions, making them both broader and deeper in their expertise. Furthermore, as the same respondent described, being a generalist surrounded by specialists demands openness and understanding, traits that become even more critical when AI allows access to more knowledge, faster.

While AI can support a wide range of tasks, it is not enough to just know a little about everything. True value often lies in being able to dive deep into specific areas where nuanced understanding and sharp skills are essential. One respondent highlighted the importance of offering expertise, not just AI as a concept:

> *"You may not be selling so much on the fact that it is AI, but it is that you are selling that you can get something very cheaply or quickly."* - Respondent 9

This highlights how clients are not buying AI, they are buying faster, cheaper, and more effective outcomes. AI is best understood not as the product itself, but as an enabler that strengthens both the generalist and the specialist dimensions of consulting. Being able to deliver targeted results faster and with precision is what ultimately creates client value.

### *4.3.3 Maintaining Credibility and Autonomy in AI-Augmented Consulting*

As AI becomes a more natural part of daily consulting work, concerns around trust, accuracy, and dependency emerge. Several respondents emphasized a growing need to consciously manage these challenges for themselves and in interactions with clients. As one respondent explained, these concerns are not unlike past technological shifts: when calculators became common, some mathematical skills faded; when autopilot was introduced, pilots lost touch with the basics of flying. Similarly, a transformation is underway in consulting. To maintain credibility and professional autonomy, consultants must stay intellectually engaged and ensure that human judgment continues to guide the use of AI.

> *"Source criticism and so, how much can we trust AI solutions and that we must not see it as a copy paste to replace what, what the brain actually contributes. ... To be constantly critical of sources, you may be able to get a great start, but then it is still you who must be able to stand behind it, double-check sources, see if it is reasonable or not."* - Respondent 7

This quote captures the core dilemma: AI should support and not replace human thinking. While AI can offer speed and direction, several respondents warned of the dangers of trusting AI too blindly, especially in strategic or high-stakes contexts. As one respondent noted:

> *"The most significant challenge, particularly for less experienced professionals, is the lack of critical thinking. It's very easy to simply accept AI's output without fact-checking or engaging in independent thought. And that leads to very poor results."* - Respondent 12

This highlights the need to actively train critical thinking and promote autonomy. As mentioned, less experienced consultants may be particularly vulnerable because they lack industry context, and many are more familiar with AI from school settings. This combination makes them more prone to accept AI outputs without verification.

Several respondents also noted that many users lack the skills to properly verify AI outputs, and emphasized the importance of cross-checking answers, despite it being time-consuming:

> *"The use of AI today, very smooth, very practical, but part of the time you sit with an AI is about having to cross-check data yourself."* - Respondent 3

The risks increase with task complexity. When consultants use AI to generate strategic insights or interpret large datasets, the margin for error grows if outputs are taken at face value. Without critical thinking, consultants risk shifting from informed decision-makers to passive users, where overreliance on AI may ultimately reduce both their independence and credibility.

There is also an external dimension. Several respondents expressed hesitation about disclosing their use of AI tools to clients, fearing it might suggest reduced effort and lower value. While this concern is understandable, the real issue lies not in using AI, but in how it is used. If AI enables higher quality, speed, or insight, clients ultimately benefit. As several respondents stressed, AI-generated content should never stand alone but be reviewed, adapted, and enriched through human judgment.

> *"A potential pitfall can be that you eventually have dribbled yourself away, and don't understand what it is you have or what you are building. If you want to change something fundamental, where do you begin if you don't know how it has been put together?"* - Respondent 1

This underscores the importance of contextual understanding. Consultants must be able to explain and stand behind what they deliver, technically and strategically. Without that, they risk not only poor outcomes but also damaged client relationships. Credibility depends on mastery, not automation.

Ultimately, critical thinking, transparency, and contextual understanding will remain the cornerstones of credible consulting, regardless of how advanced the tools become.

### *4.3.4 Business Acumen Meets Technical Literacy*

As emphasized earlier, proper AI use requires understanding its possibilities and limitations, and aligning AI with strategic business goals. The value of AI does not lie in its technical novelty alone, but in its ability to drive relevant outcomes. In this context, consultants of today and tomorrow need to be able to combine technical literacy with business acumen. One respondent compared this competence to a driver's license: it is not just about owning the

vehicle (the AI), but about being knowledgeable and skilled in using it. Ultimately, the most effective consultants will not just know how to drive; they will know which road leads to value.

One respondent emphasized the importance of having a clearly defined purpose when using AI: knowing what you want to achieve and being able to assess whether the output supports that goal. In that sense, knowing the client, the product, and the desired impact is just as important as knowing how to prompt the tool. Without this clarity, consultants risk spending time on irrelevant tasks. As one respondent put it:

> *"You can get stuck for hours developing things and building things so I think all the time this 'back to basics', does this create value for the customer or for the delivery, or both?"* - Respondent 11

Furthermore, the same respondent warned that effectiveness can quickly turn into inefficiency if AI is overused or misaligned with business needs. AI can generate endless suggestions and outputs, but that does not mean every output has strategic value. Consultants must be able to filter, assess, and redirect these outputs based on business logic.

However, developing AI literacy is not an individual task alone. Consulting firms need to anchor their ambitions in a shared strategic direction. As one respondent explained, it is important to have a collective vision: not necessarily an exact business case, but at least a unified view of how AI should be used within a set timeframe. This internal alignment ensures that individual experimentation aligns with organizational value creation, ensuring that technical curiosity is always guided by commercial purpose.

In parallel, the growing accessibility of AI tools is reshaping what creates competitive advantage. As one respondent explained:

> *"The tools are getting better and better every day, more important to know what questions to ask. The demands on technology are constantly decreasing as it evolves. Becoming more user-friendly."* - Respondent 9

While this shift lowers the technical entry barriers, it raises the bar for critical thinking and business acumen. As technical tasks become increasingly automated, the true differentiator lies in the consultant's ability to combine technical understanding with strategic insight: to contextualize, evaluate, and translate AI output into meaningful and relevant solutions. In other

words, it is not one skill set replacing another, but the synergy between strategic and technical literacy that defines value creation in modern consulting.

### *4.3.5 The Irreplaceability of Human Value*

Beyond the combination of strategic and technical literacy, consultants bring something AI cannot replicate; human presence, empathy, and the ability to build trust. Many respondents emphasized that AI does not just add new requirements, but fundamentally rebalances the competencies needed in consulting. As AI continues to evolve and handle data processing and technical outputs with growing sophistication, uniquely human capabilities become increasingly critical.

Although data and technical outputs are becoming easier to generate with AI, there will still be a strong need for individuals who can interpret this data and communicate it effectively to be able to bridge the gap between technology and human needs. An interview with a client noted that:

> *“Data will become easier to access, but you will always need people who can talk”* - Respondent 7

This highlights the fact that AI tools can enhance work but cannot replicate authentic human interaction. AI helps enhance the analytical capabilities and increase operational efficiency, yet consultants and clients experience that this value is fundamentally limited to the context in which another human will interpret and deliver it. The capability to translate data into business contexts and communicate the recommendations with emotional intelligence will stay uniquely human.

The interviews highlight a strong, persistent belief in the continuing value of human interaction within consulting. When discussing what clients value the most from consultants, the following was stated:

> *"As management consultants, we work with relationship-building. You cannot build a relationship with an AI robot; they might be able to simulate emotions, but they do not actually have feelings. . . . When I meet people in person whom I have previously only interacted with on Teams, I can feel how the atmosphere and relationship shift. You build trust, and it’s a trust-based assignment, and this personal connection and relationship-building is something AI will never be able to replace humans in. It’s very*

> *much about trust, and we work in a relationship-driven industry, and I believe that both Company 1 and I contribute to that in a unique way."* - Respondent 2

This further stresses the importance of human connection in establishing trust and building strong relationships. While AI can process huge amounts of information and identify patterns, it does not have the ability to understand empathy and emotional intelligence, which is needed to truly connect with another human being. This ability to create genuine relationships is seen as a core component of the consulting role.

> *"It's about getting all the way to the finish line. It's often about gaining acceptance across a management team for something, or saying 'we're doing this', and then asking 'why are you hesitant to agree to this?', and the answer might be 'I'm worried about this or that…'. There are still many domains where I believe AI alone won't provide the solution. So it's very much about social relations, pure group dynamics, and that kind of competence, which still remains important. Because that's the kind of environment we work in. We're supposed to make others look and feel like winners. And exactly what that means from day to day - you can't automate that."* - Respondent 4

This quote illustrates the complexity of consulting work, which goes beyond simply delivering data or recommendations. The consultant also facilitates a role of navigating interpersonal dynamics, where it is necessary to understand and address underlying feelings, such as concerns and hesitations, within the team. AI cannot replicate this ability to read the room and address unspoken issues.

Further, consultants are not just delivering solutions, they are also managing the emotions and perceptions of their clients. Making others "look and feel like winners" involves the ability to build confidence and trust, which are qualities AI lacks.

A common consensus among the respondents is the acknowledgement of AI's potential as a tool, but also a skepticism about its ability to fully replace the human element. While AI can augment and enhance many consulting practices, it cannot substitute the essential human factors and skills that truly establish effective client relationships, leading to successful project deliveries.

### *4.3.6 Increased Focus on Leadership Qualities*

As AI transforms workflows and accelerates change, strong leadership is becoming more essential than ever. Several respondents emphasized that while AI can assist in execution, it cannot take responsibility for managing people or guiding teams through uncertainty. The consultant's role in ensuring accountability, fostering collaboration, and supporting team development will therefore still be very vital:

> *"Much of our role is about handling people and ensuring accountability for delivering what they are supposed to, and AI can not fully replace that."* - Respondent 1

Moreover, the need to build trust, both internally and externally, is becoming even more important. In a time of changing needs and expectations where the AI adoption journey is still filled with a lot of question marks, people need someone they can rely on and who can guide them through this maze and make it understandable.

> *"We need to build trust so they actually feel confident enough to take the leap!"* - Respondent 6

This emphasis on the human management aspect of consulting is further underscored by another respondent:

> *"The demand for leadership has never been greater, but it has also never been harder than it is today."* - Respondent 11

The leadership difficulties arise from several interconnected factors. Many of the respondents emphasized the changing dynamics of the business environment and the uncertainties that come with it. It is difficult to know what the future will hold, and therefore, it is difficult for a leader to show the way. At the same time, everything is moving so quickly that there is a pressing need to make movements:

> *"The expectation in the market is to get all the help from AI now. … We need to have a balance in finding the right speed forward. That is the first challe*
>
> *nge right now. But everything is going very fast."* - Respondent 7

This further necessitates a shift from the traditional long-term planning towards greater agility and focus on a "growth mindset", not just for entrepreneurs but for all professionals, including

consultants. Leaders must implement this adaptability within the whole team, fostering a good culture of curiosity and confidence in change. This makes leadership today less about having all the right answers and more about creating the conditions for team members to feel empowered to learn, experiment, and navigate uncertainty together. To take on a larger role and improve the quality of their work, consultants will need to further develop their leadership capabilities. In a time of uncertainty and transformation, strong leadership is no longer optional, it is a key part of what clients expect and need.

## 4.4 Value Creation and Strategic Impact

The integration of AI into management consulting is beginning to reshape how firms create value, differentiate themselves, and gain a competitive edge. As AI becomes more embedded in daily work and affects the role and demands of consulting, AI is starting to impact strategic positioning and how value is delivered and measured.

This section presents the key outcomes of this integration. It highlights how AI adoption leads to changes in delivery speed and scalability, differentiation strategies, and the ways value is communicated and priced. These outcomes illustrate how AI is not just a supporting tool but a driver of transformation in consulting value.

### *4.4.1 Speed as a Strategic Advantage*

The most common theme in the interviews regarding value was the efficiency gains enabled by AI. This emerged as a key driver in the adoption of AI within consulting, as it offers the potential to optimize value creation and meet client demands faster. Several respondents state that they appreciate AI as a way to streamline and automate monotonous and time-demanding tasks. Respondents bring up using AI for text formatting, writing agendas, starting documents, and other relatively "simple" but time-consuming tasks in their workdays. The key value, however, is not just the time saved, but how that time is reallocated. Consultants consistently noted that AI enables a shift from routine tasks to more strategic and client-facing activities. As one respondent explained:

> *"It's about focusing on the right things; a significant part of the role involves managing and coordinating people. AI allows us to avoid spending time on manual tasks and shift our focus accordingly"* - Respondent 1

At an organizational level, increased efficiency can translate to expanding the overall capacity, allowing firms to handle a higher volume of projects and serve more clients, potentially without the need for more resources. This shift highlights how AI can help boost productivity by either allowing the same number of consultants to achieve more or letting firms scale their operations without the need to expand their resources.

On the individual level, AI allows the consultant to take on a broader set of responsibilities, such as support tasks and technical questions that would otherwise have been outside of their timeframe. This, in turn, helps add another layer of client value, as consultants can cater to an even bigger part of their clients' daily needs and demands.

Ultimately, the outcome of AI, when used correctly, is enhanced value delivery and client satisfaction. The efficiency gains achieved through AI not only benefit the consulting firm but also translate into improved deliverables to clients. Consultants can provide more comprehensive support, address a broader range of client needs, and in the end deliver results at a higher speed, while also gaining more time for client interaction.

### *4.4.2 AI as a Differentiator*

The analysis shows that AI's role as a sustainable competitive advantage lies in how it is embedded and leveraged within the consulting firm. Differentiation is not about AI-usage itself, it is about how it is applied, packaged, and scaled.

AI holds the potential to act as a differentiating factor and a positioning opportunity in management consulting, particularly for smaller consulting firms. Some respondents noted that they can see tendencies that clients perceive consulting firms that utilize AI as more modern and technologically agile, which can positively influence the impression and help as a positioning tool. Several respondents highlighted that being early adopters of AI, especially in internal processes, could be a means of gaining a competitive advantage.

For smaller consulting firms, the organizational culture appears to be one of the key enablers in leveraging AI effectively and potentially using it as a differentiator. The adaptability and fewer bureaucratic barriers allow smaller consulting firms to experiment and implement AI solutions faster compared to larger consulting firms, helping them find good ways to work with it faster. These strengths enable smaller consulting firms to not only adopt good habits among the whole organization faster but also make it easier to package and communicate the benefits.

Some of the respondents pointed out that the value is not in selling AI-usage per se, but to sell the outcomes enabled by AI, which could be to solve problems many times faster than before.

Some firms already use AI as a differentiator, particularly when many clients still struggle to implement the technology effectively. One respondent metaphorically described AI usage as follows:

> *"Currently, I tend to refer to it as 'the drink at the bar', because when you're out trying to meet people at a bar, you need an icebreaker, and that can be buying someone a drink. Similarly, when we're trying to attract clients, this [AI-edge] becomes our 'drink at the bar'; something that some clients might find appealing, and others might not. So, we definitely use it as a way to differentiate ourselves."* - Respondent 8

This quote illustrates how AI can function as a positioning tool and a way to stand out and attract attention by signaling technical credibility in a competitive market. This quote does, however, also highlight something that was commonly brought up: not all clients will value AI. Differentiation based on AI is still very much constrained by the client's readiness and understanding. If the client does not view AI as something special, there is no point in trying to use it as a differentiator.

Nevertheless, the interviews showed that the perception of AI use is shifting among clients. The clients interviewed had a very positive attitude towards consultants using AI, as they saw that as a sign of consulting firms keeping pace with technical advancements and staying relevant.

Furthermore, the increased commoditization of AI is challenging the role as a sustained differentiator. While the use of AI might help firms stand out today, the technology itself is rapidly becoming more easily accessible and commoditized, meaning that more consultants and even clients will have access to the advantages it brings. Many respondents see that the use of AI will be a necessity in a few years, meaning that "just" having AI as a differentiator, the competitive advantage will possibly be eroded.

> *"AI becomes a basic requirement, if you only know AI you know nothing."* - Respondent 9

This is the reason why many respondents noted the importance of combining AI capabilities with domain knowledge, described by one of the respondents as "AI+X". For a consultant, this could mean combining the advantages of AI with strong foundational skills such as business

acumen, communication, and strategic thinking, and knowing how to best utilize the existing tools to develop as much value as possible, as resource- and time-effective as possible.

All taken together, these findings suggest that while AI can serve as a differentiator, particularly in client perception and delivery speed, it is not a silver bullet. True and sustained differentiation depends not just on using AI, but more on how well it is integrated and tailored to the client's needs as part of a broader value offering.

### *4.4.3 Translating AI Potential into Client Value*

AI is increasingly shaping what clients expect from consulting firms, yet there is still a significant gap between perceived potential and actual value delivery. Respondents noted that clients are becoming eager to work with AI, as they have heard and understood that there could be clear benefits from usage. This belief alone can generate value by signaling that a consulting firm is future-oriented and up to date with digital trends, which can make clients feel reassured that they are working with someone competent.

However, this perceived value is not always clearly rooted in an understanding of what AI can and cannot do. Some respondents expressed that they see clients include AI as a vague requirement without a clear grasp of how it should be applied, which creates problems for using it for value creation. As one of the respondents put it:

> *"AI is increasingly appearing as a requirement in job descriptions and project briefs for consultants, often in a rather absurd way. The expectation that one should simply 'know AI' is problematic. It lacks specificity: In what context, for what purpose, using which methods, and with which tools? It's not comparable to stating 'you need a driver's license for this job', where the requirement is clear: you obviously need to drive. But with AI, what specific skills are actually needed? There's a lot of confusion. Many people have insufficient knowledge of AI and, as a result, don't know what they're really looking for."* - Respondent 11

This has led to confusion around what actually matters and constitutes relevant AI competence and ultimately makes it more difficult for consultants to scope and deliver meaningful solutions when the project description is vague. When clients "ask for AI" without understanding the actual possibilities, it is difficult for consultants to deliver the value customers expect.

This mismatch between expectation and understanding can lead to unrealistic assumptions. A common problem that especially the more IT-focused consultants noticed was that clients expect dramatic efficiency gains and revolutionary insights from AI, without considering the foundational work and elements, such as data quality, infrastructure, and governance, that need to go into creating such potential. Many clients view AI as something magical that can fix all problems and lack a deeper understanding of its actual application areas. In these cases, consultants must navigate the challenges of managing these expectations, which can mean spending a significant effort educating clients before being able to deliver measurable value.

At the same time, clients still place high importance on the human elements of consulting, as mentioned in the sections above. These attributes are seen as irreplaceable and still remain at the core of how clients evaluate value.

Furthermore, AI's impact on value perception is getting complicated by its influence on pricing. Faster delivery, which is enabled by AI tools, can raise questions about whether consulting fees should be reduced. Several respondents expressed concern that clients might start to undervalue work simply because it is delivered more effectively with the help of AI tools. This creates a paradox: although AI increases internal productivity, it does not automatically increase perceived client value, unless consultants are able to reframe the narrative to focus on impact and insight rather than time spent on the project. Addressing this paradox will require new ways of framing value and pricing, a shift that is beginning to take shape in the consulting industry and will be discussed further in the next section.

### *4.4.4 The Challenge of Quantifying AI-Driven Value*

While AI holds clear potential for enhancing efficiency and improving decision-making in consulting, the respondents express the challenges in accurately measuring and demonstrating this value, both internally and in client-facing projects. This challenge complicates how AI can be positioned as a strategic value driver, especially when attempting to align consulting pricing models or justify return on investment to clients.

Internally, a key tension lies in the paradox previously discussed: although AI allows consultants to deliver work faster and at times higher-quality output, this does not necessarily translate directly into clear-cut business value. Timesaving, for instance, is evident, but can still be hard to reap the full value from. Several respondents described use cases where tasks previously taking weeks were reduced to days using AI. However, the financial or strategic

impact of such improvements can be difficult to quantify. The efficiency gains are real, but the broader organizational impact remains rather subjective.

Respondents noted that traditional performance metrics often fall short when applied to AI initiatives, especially those that focus on exploratory tasks. Without a clear baseline, it is problematic to compare traditional workflows to AI-augmented ones, especially when the benefits are intangible. Explaining this added value to external clients is hence even more complex. If AI tools allow consultants to complete work faster, should fees decrease accordingly, or should pricing reflect the value of the outcome rather than the time invested? This uncertainty in value perception creates hesitation on both sides. Respondents express various approaches to capturing this value:

> *"What used to take 10 hours now takes 30 minutes. This is a part of the consulting craft that you don't always want clients to be fully aware of, but if you've done a similar task before, you either increase your rate or keep the same rate but bill for more hours, to reflect that you're 'better'."* - Respondent 13

> *"When we plan a project, we estimate the time required for the activities as if we were doing them manually, the way we've always done it, and the price is based on that. It will take x hours, and we translate that into a total cost. We don't adjust the estimate for AI. We don't need to do that yet because other consulting firms and clients don't understand it. They're not yet questioning, 'Does it really take 500 hours if you use AI? Couldn't it take 300 hours?' - so we haven't reached that point yet."* - Respondent 12

Both approaches highlight a tension between transparency and profitability. Consultants are aware that clients might not fully value the extent to which AI is accelerating their work, and they adjust their billing accordingly to capture the value of their expertise. The approaches also suggest that the consulting industry is in a transitional phase, where early adopters of AI will benefit from efficiency gains without pricing pressure, while the market is gradually building awareness of AI's potential impact on traditional time-based billing models. However, as this awareness grows, consulting firms may face increasing pressure to either justify traditional pricing structures or to develop new value-based business models that better align with AI-enhanced delivery.

For external AI offerings, such as strategy development or implementation, the challenge deepens. Clients often demand clarity on what value AI solutions will deliver before

committing, but consultants struggle to define ROI with precision in the early days of the project. This makes larger AI transformation projects harder to sell. Even when results are delivered, clients may not fully grasp the total contribution compared to human input. This is closely tied to the low external maturity described earlier. Limited understanding of AI's realistic capabilities and use cases, combined with a lack of metrics to benchmark effectiveness, makes clients skeptical and unsure of how to interpret AI's role in value creation. Some firms use demonstrations or pilot projects to illustrate potential value, but these are only partial solutions. The broader issue lies in the absence of standardized frameworks for evaluating AI's business impact. One respondent noted:

> *"It's very new, so it's hard to measure the value. You end up comparing apples and oranges between the old and new systems. We're using interviews and surveys to assess how much extra time is gained and the increase in accuracy."* - Respondent 7

In essence, until AI usage matures further and until both internal operations and client expectations catch up, the process of measuring value will remain very fragmented and contextual and heavily rely on subjective interpretation

# 5. Discussion

This chapter discusses the key findings of the study in relation to existing literature and theory. It addresses how the results contribute to a deepened understanding of AI's role in management consulting and offers both theoretical and practical insights and recommendations based on empirical findings.

## 5.1 Connecting the Empirical Findings to the Research Questions

This section outlines how the empirical findings presented in Chapter 5 relate to the three research questions guiding this study. The aim is to connect the dots between empirical findings, the research questions, and the bigger picture of what the study contributes to the academic and practical understanding of AI in consulting. Table 2 shows an overview of how each findings section maps to the relevant RQ(s).

**Table 2.** An overview of the findings section's correspondence to the research questions

| Findings Section | Subsections | Relevant RQ(s) | Explanation |
|---|---|---|---|
| **4.1 Current AI Integration in Consulting** | 4.1.1–4.1.4 | RQ1, RQ2 | Explores the status of AI adoption, maturity, and barriers, addressing how AI is currently integrated and highlighting challenges to strategic use |
| **4.2 Transformation of Consulting Work** | 4.2.1–4.2.4 | RQ1, RQ3 | Demonstrates how AI transforms the consultant's workflow and value delivery, addressing both current integration and strategic impact |
| **4.3 Evolving Consultant Capabilities and Enablers** | 4.3.1–4.3.6 | RQ3 (main), RQ2 (partly) | Identifies essential skills and enablers like change management and human value, addressing what capabilities are needed |
| **4.4 Value Creation and Strategic Impact** | 4.4.1–4.4.4 | RQ3 (main), RQ 2 (partly) | Provides insight into how AI enables speed, differentiation, and value creation, addressing how firms can use AI strategically |

**RQ1: How is AI changing the role of small management consulting firms?**

Several findings illustrate how AI is reshaping both the role and the internal operation of small consulting firms. In particular, section 4.2 highlights how AI acts as a catalyst in early work stages, to help support the generation of ideas and automate routine tasks, which enables consultants to instead focus their time on higher-value activities. This transformation is further reflected in the emergence of the consultant as a coordinator rather than an executor, where the value lies more in guiding work strategically rather than conducting it manually.

Section 4.1 adds contextual understanding by exploring the varied levels of AI adoption within consulting firms and the diversity in strategic direction and priority.

Together, the findings demonstrate that AI is not only a support tool, rather it is actively shifting the way consulting work is carried out and the structure of internal operations. The consultant's role is becoming increasingly more hybrid, with a combination of traditional problem-solving and AI-assisted insights and decision-making.

**RQ2: What barriers and risks do small management consulting firms face when integrating AI into their operations, and how can these challenges be effectively addressed?**

The findings of sections 4.1.4 and 4.4.4 particularly address what challenges consulting firms are, or will be, facing when integrating AI internally. Some of the most outstanding barriers are tight budgets and difficulties in proving ROI, making firms hesitant to make the move. Further, organizational inertia and concerns about data privacy add to this hesitation. When it comes to integrating AI externally as a value driver towards clients, the biggest barrier is being able to prove the value and get paid accordingly. This is further addressed under RQ3.

Section 4.3 adds insights on how some of these barriers can be overcome by so-called "enablers". Several capabilities and methodologies, such as a profound understanding of change management and good leadership, can help make the move easier. While AI offers potential for technical advantages, the biggest enablers for its success are the soft factors related to people and alignment.

**RQ3: How can small management consulting firms position themselves to deliver unique value in an AI-driven era, and what specific skills and competencies will consultants need to build?**

Sections 4.3 and 4.4 are especially relevant to this question. Value creation from AI comes from not only the efficiency gains but also from the ability to differentiate. Differentiation could be in terms of faster delivery, a wider range of offerings, or enhanced insights. As discussed in section 4.4, consulting firms that are early adopters of AI and understand how to strategically integrate it can position themselves as innovative leaders in a dynamic landscape. This is especially the case when client expectations are rising, but are still vaguely defined. The section also discusses the need for firms to start reconsidering their business models, and consequently also their strategy for value delivery. With AI having the possibility to streamline work for those that use it right, the traditional time-based pricing structures might no longer be as viable.

To support this value creation, several consulting capabilities are evolving as essentials. Being able to be broad in business understanding, but with deep specialization in key technical areas, with the help of AI, is becoming key. Skills such as emotional intelligence and critical thinking, combined with business acumen, are emerging as vital. These uniquely human skills are what allow consultants to translate the potential of AI into actual, applicable client value.

## 5.2 Theoretical Contribution

This section presents how this study contributes to academic literature by providing new perspectives and insight. It highlights key gaps between theory and current practices, challenges assumptions, and presents a new framework based on empirical findings.

### *5.2.1 Conflicting Views About AI Maturity*

Much of the literature paints a picture of a near future where AI is fully integrated into consulting workflows. Consultants are expected to work closely with AI to deliver even more augmented strategic guidance and leverage advanced data capabilities. Several researchers (e.g., Sayyadi et al., 2023; Azagury & Moore, 2024; Dell'Acqua et al., 2023) imply that consulting firms are already well-positioned to integrate AI technologies deeply into their operations. These narratives often frame AI readiness as a current necessity rather than a future ambition. They urge firms to build digital cores, make use of unstructured data, and integrate AI throughout their entire workflow in order to remain competitive.

However, this study reveals a much more fragmented and experimental reality. Most consulting firms interviewed in this study, as well as clients, are still in the early stages of exploring AI usage. A limited number of firms appear to have reached the readiness that the literature seems

to assume. Instead, many are in the early and experimental phases where AI is used in isolated cases, highly dependent on individual consultants' initiatives.

Concepts like "cyborgs", where consultants completely integrate AI into all stages of their work (Dell'Acqua et al., 2023) are insightful but often rely on a degree of AI maturity that is not yet common, as previously discussed. Similarly, while Azagury and Moore (2024) emphasize the strategic value of leveraging unstructured data, few firms are anywhere near being able to take advantage of this potential. While the findings support their argument that this is an underutilized area, they also show that several challenges must be addressed before any real value can be unlocked from this.

In several cases, clients were also described as rather unprepared or skeptical, with a lack of both infrastructure and the right understanding to fully embrace AI solutions. This challenges the arguments by Salicetti (2025) and Singla et al. (2025), who suggest that AI is disrupting the traditional consulting model by giving clients access to advanced analytical and strategic capabilities, reducing their dependence. Although these changes are emerging, the findings suggest that this shift is not yet universal.

Rather than replacing consultants, AI tools are often introduced and managed by the consultants themselves. While clients may have access to new technologies, they often lack the necessary skills, maturity, and confidence to use them effectively. In many cases, clients still rely heavily on consultants for guidance on integrating AI tools into their decision-making processes, as well as for insights. This suggests that the knowledge asymmetry remains, although it is gradually changing. The consultant's role may be changing, but it remains essential, especially as a translator between emerging technologies and client realities.

Holmstrom (2022) offers a perspective that aligns more closely with the findings. He emphasizes the gap between the hype surrounding AI, which is often driven by vendors, and the actual use of AI within firms. His work highlights the need for realistic, step-by-step efforts to prepare for AI, aligning with the more cautious and fragmented AI approach observed in this study.

In summary, much of the literature assumes a higher level of AI maturity than what was observed in this study. Rather than implementing solutions in highly mature organizations, consultants often operate in environments where experimentation and education are the reality. To be effective, consulting approaches must therefore adapt to this fragmented reality.

### *5.2.2 The Hybrid Consultant of the Future*

To remain competitive in the new AI era, this study shows that consultants and consulting firms need to combine strategic and technical literacy, a hybrid capability empirically referred to as "AI+X", i.e., leveraging AI in combination with core human skills like business understanding, communication, and strategic insight and using available tools in the most efficient and impactful way. While generative AI offers powerful tools, it does not provide a sustainable competitive advantage. As Stuart (2024) notes, traditional moats such as brand, scale, and human capital are not static and are being threatened as AI advances. Several respondents confirmed this, emphasizing the importance of adapting or risk becoming irrelevant.

Rather than replacing human consultants, AI augments them. Sack et al. (2024) describe generative AI as an "exoskeleton", a tool that enables humans to perform at a level neither could reach alone. This idea is exemplified by Dell'Acqua et al.'s (2023) concept of the "Centaur," who strategically delegates tasks between human and AI based on their respective strengths.

Chatzopoulos (2024) argues that AI literacy is becoming increasingly important, but its real value emerges only when combined with strategic and interpersonal competencies. Kaplan (2025) reinforces this view, noting that clients no longer pay for data processing; they seek insight, guidance, and contextualized solutions. This aligns with Samohkvalov's (2024) notion of "human-in-the-loop", highlighting that AI implementation still depends on human guidance. The findings of this study align with these perspectives: competitive advantage increasingly stems from the ability to integrate AI into workflows in a way that amplifies, not replaces, human judgment. In this context, "AI+X" emerges not just as a theoretical concept but as a practical necessity for maintaining relevance and creating differentiated client value.

To effectively deliver on the promise of "AI+X", consultants need a profile that balances deep expertise with broad contextual understanding, a so-called T-shaped profile. As Sutton and Fenn (2019) suggest, the T-shaped consultant combines vertical depth in a specific domain with horizontal breadth across business, technology, and human insight. The findings suggest, however, that AI is actively reshaping both dimensions of the "T". On the one hand, automation reduces the manual effort required for deep analysis, creating room to strengthen broader strategic and interpersonal capabilities. On the other hand, consultants must now extend their vertical depth to include AI literacy; the ability to interpret, validate, and apply AI-generated insights effectively across different client contexts.

Cemaloglu et al. (2019) describe this shift as a reallocation from executional to thinking agency: as AI handles repetitive tasks, consultants are free to focus on judgment-driven, creative, and strategic work. In this sense, AI does not diminish the need for the T-shaped consultant, instead, it reinforces and redefines it.

AI thus serves as an enabler, not a replacement. As Wirtz et al. (2018) argue, AI is effective for data processing but limited in tasks that require emotional aspects and creativity, an insight continuously emphasized by the respondents. Consultants must therefore retain and strengthen these human capabilities to create value beyond what AI can deliver alone.

By being T-shaped and combining both technical and human capabilities, the consultant becomes a new type of value creator: both an *explainer* and an *enabler*. As AI-generated outputs grow more complex, consultants need to translate them into actionable insights for clients (Tiwari, 2025). This role was highlighted throughout the findings, where several respondents emphasized the importance of interpretation and contextualization to turn AI into tangible value.

Yet, explaining is only part of the equation. For AI to generate real business outcomes, consultants must also act as *enablers*, i.e., identifying relevant challenges and implementing solutions. Sayyadi et al. (2023) describe this as a dual role, where consultants navigate between framing problems and implementing solutions enabled by AI. The findings confirm this shift: those who succeed in creating impact are those who combine strategic understanding with technical fluency and act upon it.

In short, the consultant who can both *explain* what AI means and *enable* its application, by combining technical insight with human competence, will define the next generation of value creation.

### *5.2.3 The Human-AI Value Matrix: A Strategic Positioning Framework*

To contribute to the ongoing discussion on AI in management consulting, this section introduces the Human-AI Value Matrix: a framework developed for analyzing strategic positioning, illustrated in Figure 9. The matrix illustrates the interplay between technological capabilities and the human-centric aspect of value creation. It provides a new perspective on organizational positioning in the era of AI.

As a central theoretical contribution of this study, the framework builds upon and extends previous literature that has focused on shifting skill requirements (Chatzopoulos, 2024), AI-enabled workflow transformation (Azagury & Moore, 2024), and evolving redefinements of value in professional services (Samokhvalov, 2024). The matrix draws inspiration from concepts such as Sack et al.'s (2024) metaphor of AI as an "exoskeleton" and the accompanying 2x2 framework on when and how to pair human and AI expertise. While their framework focuses on the interplay between human and AI expertise at the task level, the Human-AI Value Matrix extends this thinking by addressing strategic positioning at the organizational level, highlighting how firms can balance AI integration with human-centric value creation to shape the broader value proposition.

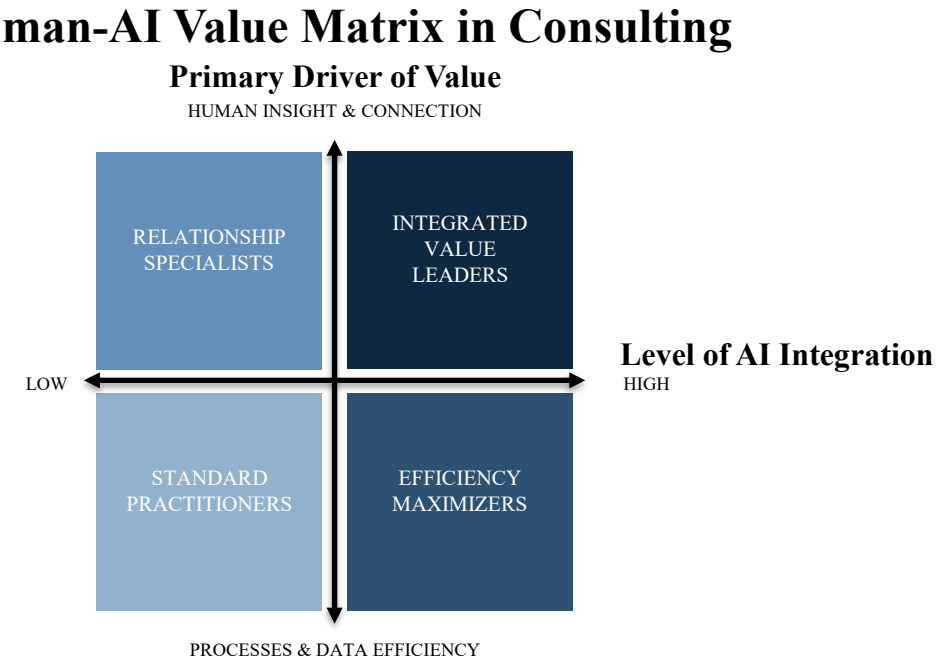


**Figure 9.** The Human-AI Value Matrix

The framework has two empirically grounded dimensions that emerged during the interviews.

- *Level of AI integration (x-axis):* Ranging from low to high, this axis reflects the level of how much AI is integrated into workflows, tools, and deliverables within the firm.
- *Primary driver of value (y-axis):* Spanning from process and data efficiency to human insight and connection, this axis captures the dominant mechanism through which a consulting firm delivers value to clients.

The framework is divided into four quadrants, where each quadrant in the matrix represents a strategic position, defined by its dominant source of value creation and level of AI integration.

*Efficiency Maximizers* are positioned in the quadrant where most value stems from process and data efficiency. These firms focus on producing high volumes of output quickly and cost-effectively. Although they are operationally strong, their focus on efficiency could lead to their differentiation becoming commoditized in the long term, as AI tools will help efficiency become easier to achieve. In terms of sustained competitive advantage, efficiency will not likely be very rare or inimitable, as AI usage grows.

*Standard Practitioners* also rely primarily on process and data-driven value creation. However, as the name suggests, their approach remains much more traditional, with low to no integration of AI. They rely on traditional methods and frameworks, making them vulnerable to being overtaken by both more tech-savvy competitors and more relationally oriented firms.

*Relationship Specialists*, like Standard Practitioners, demonstrate low AI integration. However, they distinguish themselves by generating most of their value through strong relationships and deep human connections. Their competitive edge lies in emotional intelligence, trust-building, and contextual understanding rather than technical advancements, though they may struggle with scalability and analytic capacity.

*Integrated Value Leaders* are positioned as a theoretically ideal type. These firms recognize that the greatest value comes from human relationships, but also understand that AI tools can optimize processes, enhance efficiency, and free up time for more value-adding activities. They achieve synergy between the two, with AI enhancing processes while consultants focus on interpretation and translation. This represents a central theme of the study: that future value in consulting lies not in choosing between technology and human value, but in their strategic integration.

However, not all consulting projects necessarily require this high level of integration. The consulting landscape is dynamic, and firms may find different positions in the matrix more fitting depending on context. Still, becoming an Integrated Value Leader provides a high capability ceiling, setting firms up for future success in more demanding projects.

In line with the concept of the “hybrid consultant” and the broader strategic goal of building sustainable competitive advantage, the Human-AI Value Matrix offers a framework for theorizing how professional service firms can navigate digital transformation. While grounded in the consulting context, its underlying logic may be applicable to other knowledge-intensive sectors undergoing similar shifts.

## 5.3 Practical Implications

This chapter takes a step back from the specific findings to highlight the broader practical implications for consulting firms. Instead of just revisiting each finding, the key findings are synthesized into a set of overarching recommendations. The recommendations aim to support firms in navigating the opportunities and challenges of AI integration, in order to remain competitive and become future-ready.

### *5.3.1 Strategic Value Creation Through AI*

The research clearly indicates that in order to stay competitive, consulting firms need to go beyond simply adopting AI practices. Strategic advantage comes from how AI is used and applied. However, creating and capturing value becomes increasingly more difficult.

**Staying ahead requires more than just AI**

The research findings, combined with the theoretical background, show that leveraging AI strategically can give consulting firms a strategic advantage as a competitive edge. However, this advantage can potentially be short-lived. As other consulting firms and clients become more mature in their own AI usage, there is a risk that this competitive edge erodes. In order to remain relevant, it is important that consulting firms continuously develop new skills to stay "smarter" than their clients. For this, it is necessary that firms do not treat AI initiatives as a one-off instance, but rather as a continuous journey. Strategic advantage is therefore less about having AI and more about how fast and strategically it is used.

This aligns with the VRIO framework: AI capabilities may currently be valuable and rare, but they will eventually become imitable and common practices, making organizational strategic usage of these capabilities the true differentiator. This also means that having AI as the only competitive edge will soon vanish, reinforcing the need for being a consultant with "AI+X", combining AI usage with all the essential human capabilities of consulting.

**Reframe efficiency as strategic value**

Consulting firms are already using AI primarily for efficiency gains. However, this internal efficiency does not automatically translate into business value. In fact, faster delivery enabled by AI may lead to fewer billable hours, unless the firm can use this freed-up time on catering to new customers or produce the same work with fewer resources than before to reduce overall costs.

Without mechanisms for capturing and communicating this value, both internally and to clients, AI risks being seen only as a cost-saver, rather than a strategic enabler.

**Leverage AI-enabled productivity wisely**

AI creates real efficiency gains, but the value is not always visible, or desirable to be completely transparent about, to clients. As one respondent described, "What used to take ten hours now takes 30 minutes", yet such improvements are not always passed on to the client. This creates a strategic tension: while firms gain value internally from AI-driven productivity, the lack of client understanding risks undervaluing this efficiency unless it is clearly framed as part of the overall value delivered. Firms must strategically navigate this tension: how to capture value internally without weakening the perceived expertise.

This paradox is visualized in Figure 10. While AI boosts delivery efficiency, traditional time-based models struggle to capture the resulting value. Consulting firms that shift toward value-based pricing can break this pattern and continue to scale value delivery and capture in parallel.

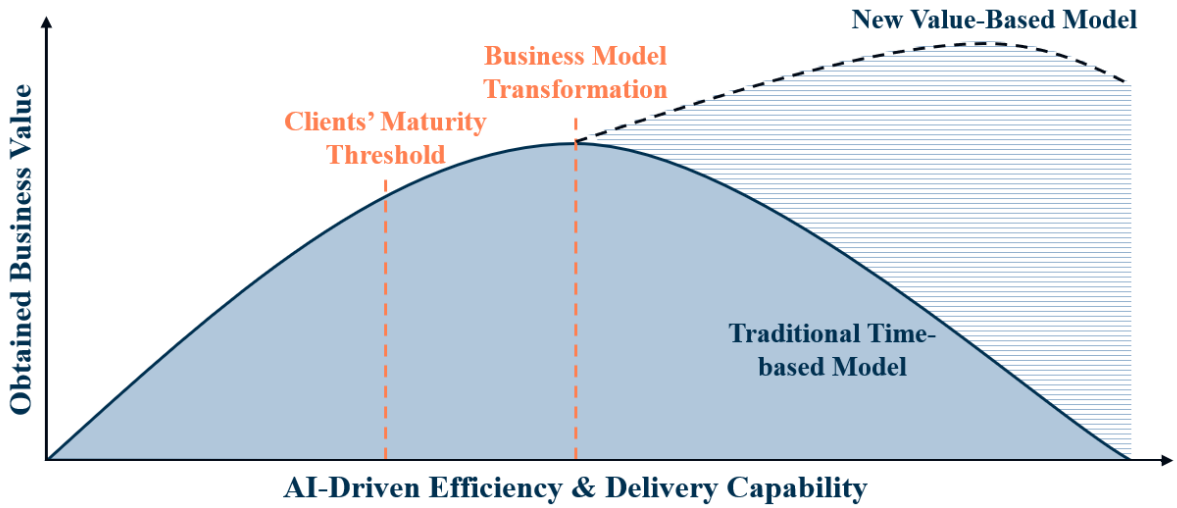


**Figure 10.** The paradox of AI efficiency and value capture

As illustrated in the figure, AI-driven efficiency initially increases the business value delivered. However, beyond "Client's Maturity Threshold", when clients lack the maturity to absorb more advanced solutions, a traditional time-based model backfires. More efficiency means fewer billable hours, which paradoxically leads to less value being captured, even if a better service is being delivered. This highlights the strategic need to rethink pricing models: moving from time-based billing to value-based models at certain occasions may offer a more sustainable path forward.

At the same time, it is important to remember that the human aspects of consulting could be equally as important as the more analytical, hence why it is necessary to be strategic about AI integration to remain valuable.

- *Protect the "consulting craft" by not being openly transparent.* Communicating every AI shortcut may undermine the perceived value of consultants' expertise. Instead, there lies more value in showcasing the outcome and strategic impact as the source of value.
- *Explore moving beyond hourly billing towards outcome-based pricing and business models.* This aligns incentives and ensures that firms are rewarded for the impact they deliver, not just the time invested. If consulting firms do not re-evaluate their business models, they risk undermining their own profitability as AI accelerates overall delivery. Value-based or outcome-oriented pricing models may no longer be optional, but a strategic necessity, and therefore, it can be important to start addressing this early.
- *Balancing AI integration with human value is essential.* Firms must be careful when navigating the tension between leveraging AI for internal efficiency and maintaining the perceived value of human expertise. As relational, contextual, and trust-based aspects of consulting remain central, AI adoption should purely enhance and not replace these human strengths to sustain client value.

**Make AI's external value creation clear and credible**

When AI is part of the external offering, whether in strategy transformation or new implementations, clients need to understand why it matters and how it creates value. However, clients often lack the knowledge or metrics to correctly measure AI's contribution, making it harder to justify ROI or discuss pricing.

- *Develop frameworks and use cases to help clarify value.* Being able to showcase previous use cases with corresponding tangible value makes it easier for clients to justify investments. This clearly helps show how AI can make a true impact, and let clients understand the potential value it could contribute to.
- *Educate clients on possible application areas.* Focus on proactively showing clients where AI could become valuable and applicable. In doing so, it is also important to translate AI's value into an understandable business impact that can be more easily understood.

Ultimately, as AI continues to reshape the consulting landscape, firms need to not only capture efficiency gains internally but also consider how the communicate AI's value contribution externally. The firms that manage to align delivery, pricing, and positioning in the AI-era will be better equipped to remain competitive not just through efficiency but also through relevance.

### *5.3.2 Change Management and Future Readiness*

The findings highlight a significant gap between the high expectations in the literature and the low AI maturity observed in many consulting firms. Most consulting firms are still experimenting, sometimes in isolated cases, driven by individual consultants. This creates a clear need for structured change management to move from experimentation to integration.

**Focus on strategic intent, not hype**

To build sustainable value from AI, consulting firms need to adopt a realistic and intentional approach. Change should not be driven by hype or urgency, but by a clear understanding of what AI can offer, when, and why. Rather than chasing every new trend, firms should focus on aligning AI initiatives with strategic goals and client needs. This requires asking not just "what can we do with AI?" but "what do we want to achieve, and how can AI support that?"

**Change management as an enabler**

Change management becomes a key enabler in this process, ensuring that people, processes, and priorities are aligned. AI readiness is not only about acquiring tools but about shifting mindsets and behaviors across the organization. This includes building trust in AI, encouraging experimentation, and making room for learning. Importantly, change management also supports consultants in assessing and responding to their clients' maturity levels.

By anchoring AI efforts in business alignment and long-term goals, consulting firms can create a sustainable competitive advantage. To do so, they should:

1. *Define the strategic purpose:* Clarify the specific value to be created through AI, and for whom.
2. *Validate business relevance:* Ensure the initiative addresses a real problem or opportunity, not just current trends.
3. *Assess organizational readiness:* Evaluate existing skills, systems, data infrastructure, and leadership alignment.

4. *Engage key stakeholders:* Align internal teams and clients on purpose, scope, and expected outcomes.
5. *Prioritize long-term value:* Focus on scalable, integrated use cases that support the overarching business strategy.

**Assessing maturity and building capabilities**

One concrete starting point is to assess current AI maturity: Where does the firm stand today, and what capabilities are needed to move forward? A maturity assessment helps identify enablers, barriers, and competence gaps, and guides consulting firms in choosing the right pace and direction.

The assessment is preferably paired with the Human-AI Value Matrix, introduced in section 5.2.3. Since successful transformation takes time, a maturity assessment is critical. Becoming future ready is not about rushing adoption, but about preparing thoughtfully based on where the firm stands today and what capabilities are required to move forward. This view not only helps avoid premature implementation but also provides the foundation for targeted competence development, a key focus of section 5.3.3.

Figure 11, a conceptual model derived from a combination of empirical findings and literature, illustrates how firm value increases with AI maturity, emphasizing that firms move from being resistant to becoming trendsetters as they advance through intentional and strategic adoption.

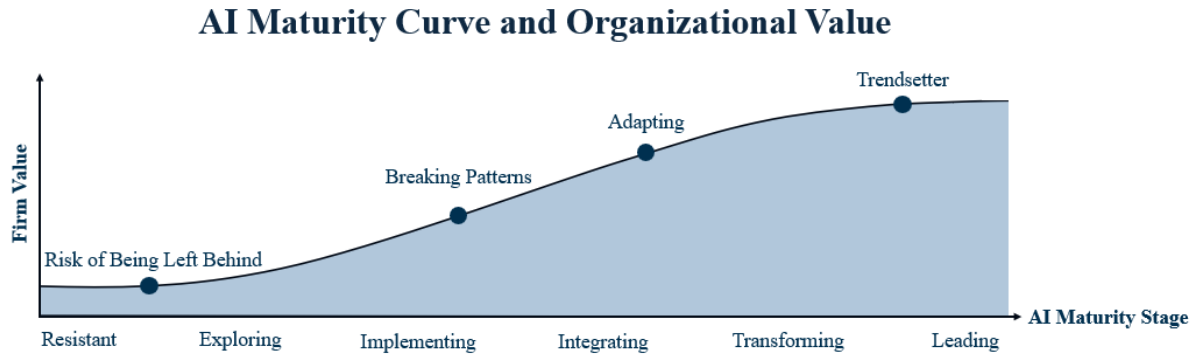


**Figure 11.** A conceptual model showing the relationship between increasing AI maturity and organizational value creation in consulting firms

**The consultant's role in guiding change**

Consultants also have a specific responsibility in this shift. As advisors, they need to actively manage how AI is positioned, both internally and toward clients. That means not just recommending tools, but helping clients understand when AI is appropriate, what value it can

create, and how to prepare for it. In a market full of hype, the ability to translate potential into practical steps becomes a source of trust and differentiation.

Ultimately, future readiness is not about being fast, it is about being intentional. Consulting firms that invest early in structured change efforts and build their capacity for adaptation are more likely to unlock real, long-term value from AI and will be better positioned to capitalize on the change rather than forced to catch up.

### *5.3.3 Building Strategic Capabilities for the Future*

The findings of this research show that the future of management consulting is not about deciding between technological efficiency and human expertise. Rather, it is about strategically integrating the two. The Human-AI Value Matrix presents not only a way of mapping today's business landscape for consulting firms but also serves as a model for how firms can adapt and evolve over time. The dynamic interplay described by the matrix also suggests that competence development is a continuous process, necessary for strategic relevance in the ever-changing environment.

**Using the Human-AI Value Matrix as a strategic route-choice**

Each position in the matrix requires different competencies and capabilities from the consulting firm. The analysis identifies three possible strategic pathways depending on the firm's current position.

- *Efficiency Maximizers* possess strong technical literacy but need to add human value and soft skills, such as empathy, creativity, and contextual understanding, in order to differentiate in a landscape where AI competencies become more and more commoditized.
- *Standard Practitioners* risk finding themselves in a strategic vacuum if they do not evolve. There are two options: develop technical AI competencies or focus on relationship building and deepen the human value of their services.
- *Relationship Specialists* have strong interpersonal skills but often lack scalability and analytical power. The emphasis should therefore be on selectively integrating AI in order to augment, rather than replace, their current strengths.
- *Integrated Value Leaders*, although already possessing many of the desirable competencies, need to ensure that they remain at the forefront and stay relevant. As the

landscape continues to evolve and the technological environment can shift quickly, it is important to stay curious and have continuous competence building.

**Competencies as building blocks**

The value that a consulting firm creates is the result of the capabilities and competencies of its individuals, meaning that each consultant is an important part of that process. Therefore, it is necessary that firms invest in three complementary competence areas:

- *AI-literacy and application areas:* To be able to utilize the opportunities that come with AI, consultants need to understand when and how AI can be integrated to enhance processes and outputs.
- *Strategic and contextual understanding:* In order for AI augmented insights to create tangible value, it is necessary for consultants to be able to adapt and interpret these insights into each client's unique strategic situation and business.
- *Human value:* Relationship building, emotional intelligence, adaptability, and other soft skills are essential in order to create trust and understanding of unspoken barriers and needs.

**Recommendations for competence building**

To support strategic movement within the Human-AI Value Matrix, firms should proactively take a structured approach towards competence building. Below are three key recommendations on how to future-proof consulting capabilities.

- *Map against the matrix:* Use the Human-AI Value Matrix to analyze and assess both the firm's current position and the desired strategic direction. This can help firms to start exploring and identifying competence gaps, both at an individual and organizational level, that need to be addressed.
- *Tailored development plans:* Training and capability-building initiatives should be customized based on the consultant's role and the value proposition the firm aims to deliver. A one-size-fits-all approach is unlikely to be very effective, as a technical consultant may need to focus more on relational skills, whereas a relationship-focused consultant may benefit more from building foundational AI literacy.
- *Foster curiosity and an open mindset:* Encourage a mindset of experimentation, where consultants feel supported in trying new tools and methods of working. Curiosity and openness to change are critical areas in order to be adaptable in a rapidly shifting

landscape, and firms that can develop that kind of culture are more likely to be successful.

However, the most important thing is that all individual firms form their own way of competence building, based on what fits best for their unique case. The previously mentioned one-size-does-not-fit-all applies not only at the individual level but also at a firm level.

## 5.4 Further Research

While this study provides valuable insights into how AI is impacting management consulting, several limitations should be acknowledged and guide further research. Starting off, the scope of this study was limited to small and relatively newly established consulting firms operating in Sweden, which makes the findings applicable only to this type of situation. The findings should therefore be generalized to other types of firms or geographical contexts with caution. This also means that the frameworks presented could require further validation in contexts beyond the scope of this study, particularly in larger and more mature firms.

Secondly, it is also important to note that there was a limited number of clients taking part in the study. Although some clients' insights were included, both via direct interviews with clients and from the consultant's perspective, this leaves room for improvements to capture even more of the client's view of the situation, which could be further studied in future research.

Third, the quick advancements of AI mean that the relevance of current insights could change in just a short amount of time. This means that recommendations derived from the research potentially could become outdated as new tools and methods emerge. Future studies could revisit these findings in the light of new technological advancements.

Finally, while this study proposed initial recommendations for competence development (see section 5.3.3), further research could explore this area more deeply. Comparative studies across firms of different sizes and maturity levels could perhaps provide additional guidance on how to build and align capabilities to meet new demands driven by AI advancements.

# 6. Conclusion

Despite the hype around AI, and the belief that it will reshape management consulting, few companies know exactly where and how to start their AI-journey. There is literature trying to guide consultants in how to navigate this new business landscape, however, not much of this literature focuses on small and novel consulting firms and the unique opportunities and challenges that they face.

The findings are clear, value from AI lies not only in enhancing and complementing human capabilities, but how well it is integrated into the company's overall strategy. To unlock this potential, companies need to undergo change. This starts with understanding the current position where a maturity assessment is essential, helping companies in evaluating their readiness, identifying capability gaps, and setting a direction in order to be future-ready. To translate this into action, active change management is vital where internal processes, culture, and leadership are aligned iteratively.

To fully take part in the value that AI integration can bring both internally and externally, consulting firms should start to address potentially outdated business models. In the future, it might be necessary to move towards a value-based approach to capture the value that comes from being more effective.

In order to be successful in the new business landscape, it is necessary to take on a hybrid approach towards both AI and consulting. The concept "AI + X" implies that AI literacy needs to be combined with other important aspects of consulting to capture the full value of its applications. There is a need to be strategic about the value creation with AI. A big part of the consulting value lies in the human aspects, and these aspects could not be equally valuable if substituted by AI. Hence, it is critical to conserve and refine these elements and not try to address and solve every part of the problem with AI. AI should be thought of as a possibility to augment parts of the consulting craft, but never to replace.

As AI becomes more integrated into consulting, the firms that will stand out are the ones that see it not as a replacement, but as a tool to enhance what a human does best. The real edge lies in combining tech with human skills like empathy, trust, and strategic thinking. In the end, it is not about choosing between AI and people, it is about finding the right balance, and using that to create even more value.

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# Appendix

## Appendix A: Interview Guide: Consultants

**Background & AI in the Workplace**

→ *Understand context and AI strategy to identify differences in AI maturity and challenges/barriers*

- Briefly tell me about your background and your current role.
- Describe your **company's** current approach to AI (strategic priority? experimentation?)
  → If the answer is positive, explore whether there's a desire to work more with AI, and how that is done.
  → If the answer is negative, explore what the issues are – what challenges exist?

**AI's Impact on Consulting Work & Client Offering**

→ *Identify how AI affects daily work (internally) and client expectations and offerings (externally)*

- What is your experience with AI in your work?
- How has AI changed the way you work? - benefits and challenges
- Has AI influenced what clients expect from you as consultants? **(external)**
- Are there areas where AI has strengthened your client offering? **(external)**
- Has AI opened up new opportunities for you, for example, to scale services or reach new client segments? **(internal)**

**The Future of AI in Consulting**

→ *Discover changes in the consultant role, skills gaps, and strategic opportunities (positioning)*

- How do you think AI will impact the consulting industry going forward? **(internal)**
- What do you think clients will value most from consultants in an AI-driven future? **(external)**
- In what ways can smaller consulting firms use AI differently compared to larger players?

- What skills will be important for the consultants of the future? - generally? AI-specific?

**Closing Reflection**

- Is there anything we haven't discussed that you think is important to highlight regarding AI and the consulting industry?

# Appendix B: Interview Guide: Clients

**Organizational Context & Priorities**

→ *Identify how evolving client needs impact the consulting industry*

- Can you briefly describe your organization and your role?
- What challenges are you currently facing?

**Current Processes & Challenges**

→ *Identify practical challenges and insights that may be transferable to small consulting firms*

- How would you describe your current approach to AI (strategic priority? experimentation?)
- How have AI solutions been received?
- What are the biggest challenges related to implementing new technology (such as AI)?

**Skill Gaps & Need for External Support**

→ *Define the competencies that consulting firms need to develop to remain relevant*

- What skills or expertise do you currently lack?
- What types of external support or consulting services do you typically bring in?
- What competencies do you believe will be critical going forward?

**Expectations & Perceptions**

→ *Identify perceptions and expectations of consulting value*

- Has AI changed your expectations of consulting firms?
- Has it influenced how you perceive the value of consultants?

**Future Outlook & Final Reflections**

→ *Understand future demand for AI expertise in the consulting industry*

- How do you see AI shaping your industry in the coming years?
- What role do you think consulting firms will play in helping companies navigate AI?

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