



The 2026 KPI Handbook for Consulting

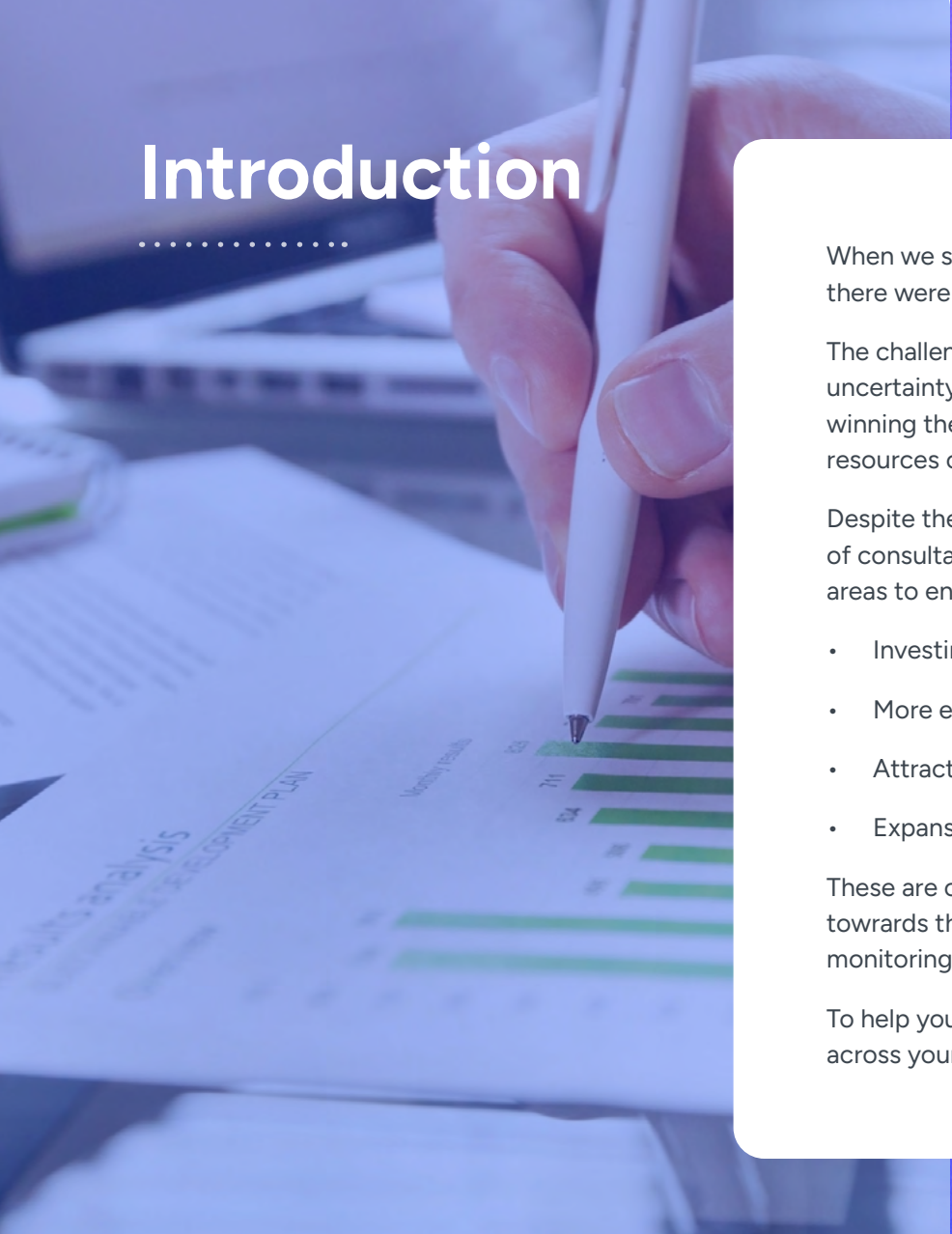
Discover which KPIs your firm should focus on to measure business, talent and project success.



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Introduction



When we surveyed consulting firms for the [6th Annual Deltek Clarity UK Industry Study](#), we found that there were both challenges and opportunities on their radar.

The challenges included macroeconomic factors, such as cost increases, global and local economic uncertainty, recession, inflation and interest rate increases. Operationally firms had concerns about winning the right projects to meet growth and revenue targets, attracting and retaining talent, managing resources on projects and ensuring that they continue to meet client expectations.

Despite these concerns, the sentiment from firms is they are feeling optimistic about the future. 81% of consultancies confirmed they expect their profits to increase in 2025. Firms are focusing on four key areas to ensure that they thrive today and into the future:

- Investing new technologies and focusing on innovation
- More effective sales and marketing
- Attracting more talent
- Expansion into new markets

These are clearly important areas to focus on, but how do firms know that they are making progress towards the goals and objectives they've set in these areas? The short answer is by setting and monitoring key performance indicators (KPIs).

To help you improve how your firm tracks its KPIs this guide looks at what you should be measuring across your business, people and projects, why you should be measuring them, and how to get started.

KPIs for Measuring Business Growth and Profitability

The consulting firms that we surveyed confirmed that business growth and profitability are a focus for them, and they were considering several different strategies to help them meet their objectives:

- 30% of firms believed that the automation of their month-end process would significantly increase their profitability.
- Firms planned to focus on controlling the ever-increasing cost of running their business to protect their profit margins:
 - » Reducing expenses (28%)
 - » Balancing employee/cost ratio (28%)
 - » Increasing control of costs - purchases and approvals (25%)

To meet your growth and profitability objectives and goals, it's important to know what success looks like and whether you are making the right level of progress.

We've identified several KPIs you can monitor to track your progress in this area.



↑81%

of consulting firms
expect to see their
profits increase
in 2025.

— 6th Annual Deltek Clarity UK
Industry Study

Net Revenue Growth

What?

Net revenue growth is a clear indicator of business performance. When net revenue increases, the business is securing more work and operating efficiently. If net revenue falls over consecutive reporting periods, it is an indication that something is a miss.

This metric should also be evaluated in two ways – forecasts and actuals, as well as the difference between the two. First determine the forecasting over the next six, 12 or 18 months, and determine how much revenues are expected to grow as well as how the firm will effectively deliver that work. Then, based on those forecasts, track if the firm is actually seeing the expected revenue or not meeting the forecasted revenue goal.

How?

By analysing profit and loss (P&L) data along with project-specific metrics like days sales outstanding (DSO) and project schedule variance, your team will be able to understand whether revenues really are increasing steadily. This will allow you to forecast and respond to expected future growth or decline. From a forecasting perspective, monitoring your pipeline based on defined pursuits and opportunities, rather than gut feeling or previous years' performance, can dramatically increase forecasting visibility and accuracy.

Who?

Monitoring revenue is a finance function, thus calculating and monitoring net revenue growth will generally fall under the remit of the finance director. To do this, the finance director will need access to information that shows annual turnover but allows them to report in more detail on per-project revenues and the like.

Meanwhile, the forecast is typically managed by the business development team as they are building pipeline, working pursuits and developing strategies to win work with new and existing customer. High growth firms manage opportunities in a central Customer Relationship Management (CRM) solution that is accessible and visible to both the business development team and the management team to help manage, plan and execute once projects are awarded.



Many of the firms surveyed are tracking the metrics needed - net revenue (68%), DSO (60%), project schedule variance (62%) - to calculate net revenue growth.

— 6th Annual Deltek Clarity UK Industry Study



Client Profitability

What?

Not all clients will be created equal when it comes to how profitable they are to your firm, worst case, they may actually be costing you money. Therefore, it's important for you to consider more than how much revenue each client is generating, you need to understand how much it is costing to deliver the work required of your firm and how much profit the client generates.

It's better to track client profitability over a period of time (12/24 months) rather than by project (project margin is something that you should be monitoring separately). This will give you a better understanding of just how profitable, and therefore how valuable, each client is to your business. Understanding client profitability can also help you predict how much revenue each client could potentially bring into your business and identify which accounts you want to do business with in the future.

How?

To calculate how profitable a client is to your business, you need to find out how much revenue you have earned from that client over a period of time. Next, calculate the cost to your firm to support that client over the same period. Deduct the cost from the revenue and you will get an understanding of profitability.

$$\begin{aligned} &\text{Client Profitability} \\ &= \\ &\text{revenues earned from a customer} \\ &\quad \text{in a given period} \\ &- \\ &\text{the cost of supporting the} \\ &\quad \text{customer in the same period} \end{aligned}$$

Who?

Work with your finance department, business development and project management teams to gather the information needed.

72%

of the firms surveyed
are tracking client
profitability as one
of their project
management metrics.

— 6th Annual Deltek Clarity UK
Industry Study

Employee Billable Utilisation

What?

Employee billable utilisation, sometimes known as billable efficiency or utilisation rate, shows the amount of an employee's available time used for productive, billable work, expressed as a percentage. This is a critical metric for consulting firms to track to ensure they are charging efficiently and to ensure the firm is billing enough to cover its costs plus overheads.

Understanding the utilisation rate at a business and individual consultant level can help with forecasting, resource optimisation and rate setting.

In 2024, billable utilisation fell to **68.9%**, below the optimal **75%** impacting revenue per consultant.

— 2025 SPI Professional Services Maturity™ Benchmark Report

How?

To calculate employee billable utilisation, divide labour costs against project-related hours by the total hours worked and then multiply by 100.

Employee Billable Utilisation

=

**Direct Labour Costs
(project-related hours)**

÷

(Total Hours Worked) × 100

Who?

Work with your finance department, business development and project management teams to gather the information needed.



Deal Pipeline Relative to Quarter Bookings Forecast

What?

Monitoring deal pipeline relative to quarter bookings forecast will enable you to gauge the strength of your sales pipeline in relation to your projected revenue for a specific quarter. This will help you to understand the progress that you are making towards your growth and revenue targets. For example, are you winning enough projects to meet your goals or does the firm need to focus on building more pipeline by going after larger, more profitable projects?

How?

To calculate deal pipeline relative to quarter bookings forecast, you will need to find out the total value of all the projects that your firm is currently pursuing at each stage of the sales cycle. Take this figure and divide it by the projected revenue target for that quarter. If your ratio is below 1, you don't have enough in pipeline to meet your quarterly revenue target, if it's above 1 then you are in a strong position to meet or exceed your revenue target.

Who?

To see how your deal pipeline fares against your quarter bookings forecast, you will need access to information from a few different business areas. Your business development team can provide information on the deal pipeline while your finance team will be able to provide details on the bookings forecast. Using this information, plus details of the revenue targets and growth objectives set by the leadership team, will enable you to see how likely it is that you will meet the quarter's booking forecast and course correct if needed.

$$\begin{aligned} &\text{Deal Pipeline Relative to Quarter Bookings Forecast} \\ &= \\ &\text{Deal Pipeline Value} \div \text{Quarter Bookings Forecast} \end{aligned}$$

49.3%

of benchmark participants reported their deal pipeline was less than two times the size of their forecast.

— 2025 SPI Professional Services Maturity™ Benchmark Report



↓4%

The annual revenue
per billable consultant
decreased by 4%
in 2024.

— 2025 SPI Professional Services
Maturity™ Benchmark Report

Annual Revenue Per Billable Consultant

What?

Monitoring the annual revenue per billable consultant offers a few benefits for consulting firms. It will enable you to evaluate financial performance, benchmark your firm and set competitive pricing.

Tracking this KPI also helps with project planning and budgeting, performance management, and resource planning, ensuring that consultants are not underutilised. If you have highly experienced consultants not being properly utilised, this is costing your firm money and could contribute to losing top talent due to burnout and improper resourcing.

How?

To calculate the annual revenue per billable consultant, you will need to divide the total revenue of the business by the number of consultants employed by the firm.

**Annual revenue per billable
consultant**

=

Total Annual Revenue

÷

Number of Employed Consultants

Who?

Your finance and payroll departments should have access to the information needed to calculate this KPI.

KPIs to Monitor Successful Project Delivery

According to the [2025 SPI Professional Services Maturity Benchmark Report](#), on-time project delivery decreased from 75.7% in 2023 to 73.4% in 2024. In a similar pattern, employee billable utilisation decreased from 69.3% in 2023 to 68.9% in 2024. At first glance, this doesn't seem too drastic although it could be the beginning of a potential trend that consultancies need to manage before it starts to have a real impact on their profitability, reputation, client retention and project win rates.

When it comes to day-to-day project management best practice, the expectations of what constitutes a successful project haven't changed. Projects need to be delivered on time, and within budget and scope, to ensure a healthy cash flow, customer satisfaction, repeat business and an excellent reputation in your industry.

There are some essential KPIs your firm should be measuring that specifically focus on the success of your project delivery, such as project overrun, projects on schedule and effective billing rate.

73.4%

of projects were delivered on time and employee billable utilisation averaged **68.9%**

— 2025 SPI Professional Services Maturity™ Benchmark Report



21%

of firms feel that limiting project cost overruns will significantly increase their profitability in 2025.

— 6th Annual Deltek Clarity UK Industry Study

Projects On Budget

What?

Monitoring projects on budget, sometimes known as cost overrun, enables consulting firms to see if their projects are being delivered on budget.

Project overruns kill profitability, in addition to limiting the launch of new projects. High overrun typically correlates with decreased customer satisfaction and indicates that a firm's project management, planning and delivery processes need improvement.

This KPI is a crucial one for consulting firms to track because it offers insight into whether your firm is costing its project/s and managing project resources and budgets correctly. Further, analysing project overruns provides valuable insights for process improvement and learning from past projects.

How?

Calculating if a project has overrun is a simple formula, you basically divide the budgeted delivery cost by the actual delivery cost.

$$\begin{array}{c} \text{Projects on budget} \\ = \\ \text{Budgeted Delivery Cost} \\ \div \\ \text{Actual Delivery Cost} \end{array}$$

Who?

This is something that your project and/or programme managers should be monitoring closely on a project-by-project basis.

Time Overrun/Projects on Schedule

What?

As well as delivering projects on budget, you need to ensure that they are delivered within the agreed timeframe. Projects that suffer from time overrun, i.e., are not delivered on schedule, can result in decreased customer satisfaction, delay the kick-off/delivery of other projects and impede cash flow. Time overrun can also increase the cost of delivery and result in more projects being delivered over budget.

Time overruns can occur due to delays in project execution, running into unexpected issues, changes in requirements or resource constraints.

Consulting firms need to monitor this KPI in a few different ways – from an aggregate level across the business, down to the individual project level.

How?

There is no set formula for this KPI but instead, there is a need to make sure that the right systems, processes and reporting are in place to support effective project planning, management and monitoring to ensure projects are delivered as expected for both the client and the firm.

This comes down to efficient project planning and management and tracking the right metrics regularly. For example, progress against agreed project schedules.

Who?

Monitoring the number of projects on budget and schedule should be the responsibility of the project manager.



41%

of firms surveyed
listed project delays as
one of their top three
project management
challenges.

— 6th Annual Deltek Clarity UK
Industry Study



Only a quarter of firms surveyed believe that they are tracking effective billing rate perfectly.

— 6th Annual Deltek Clarity UK Industry Study

Effective Billing Rate

What?

The effective billing rate is one of the most important project KPIs that you can track as a consulting firm.

Understanding your effective billing rate gives you an accurate picture of the profitability of a project and can be used to compare one project to the next, helping you to tighten up proposals for future work.

Your business development and project teams will have an idea of the expected billing rate for each project. However, the reality is that this can vary wildly depending on how successful the delivery of the project is, especially if you are working on a fixed-fee basis. In this case, any unexpected costs or delays can impact the overall billing rate. This unpredictability and potential business-wide impact make this a KPI that you need to monitor regularly.

How?

The effective billing rate is calculated by dividing the total revenue of a project by the total number of hours (both billable and non-billable – but not including time spent on the sales process or general relationship management) that your employees worked on that

project. You can then use the result of this calculation to compare the project's planned effective rate and its actual effective rate.

$$\begin{array}{c} \text{Effective Billing Rate} \\ = \\ \text{Total Project Revenue} \\ \div \\ \text{Total Number of Hours Worked} \end{array}$$

Who?

Your finance team and the project manager should be able to provide the information that you need to calculate the effective billing rate for any given project.

Project Margin

What?

Measuring project margin is vital for consulting firms to assess project profitability and make informed financial decisions. It involves calculating the difference between project revenue and costs, enabling firms to evaluate financial performance and set appropriate pricing strategies.

Project margin analysis helps in allocating resources efficiently, prioritising higher-margin projects, and identifying potential risks associated with lower-margin projects. It also guides efforts to improve project management and cost control across the firm.

Project margins have remained consistent, averaging **35%** over the past five years.

— 2025 SPI Professional Services Maturity™ Benchmark Report

How?

To calculate project margin, you need to take the revenue generated by the project and divide it by the cost of delivering the project.

$$\begin{array}{c} \text{Project Margin} \\ = \\ \text{Project Revenue} \\ \div \\ \text{Project Cost} \end{array}$$

Who?

This is something that your project team and specifically the project manager should be calculating on a project-by-project basis.



KPIs for Talent Acquisition and Retention

Talent management is a hot topic for consulting firms. In fact, 32% of consulting firms surveyed for the [6th Annual Deltek Clarity UK Industry Study](#) confirmed that attracting and retaining talent is one of their top priorities challenges.

In 2024, 69% of consulting firms were planning to grow their team. This year, that has increased to 73% of firms. To do this, they need to have a robust strategy in place to attract and retain talent across the business and be able to monitor progress towards their goals.

There were several talent management challenges identified by the consulting firms we surveyed that need to be considered when identifying and tracking relevant KPIs:

- Lack of investment in training/upskilling staff (48%)
- Lack of employee engagement (34%)
- Lack of work/life balance (32%)
- Resignations/employee churn (28%)

If you have plans in place to improve how your firm attracts and retains talent, there are some priority KPIs that you can measure to ensure that you are on track to meet your staffing and resourcing goals.



32%

of firms surveyed listed attracting and retaining talent as one of their top three challenges in the next three years.

— 6th Annual Deltek Clarity UK Industry Study



28%

of firms confirmed
that employee churn is
negatively impacting
their business.

— 6th Annual Deltek Clarity UK
Industry Study

Employee Turnover Rate

What?

With 28% of consulting firms confirming that employee churn is negatively affecting their business, it's important that you know your own employee turnover rate and what is behind the metric.

This KPI helps you to benchmark your firm against industry norms, identify how your turnover rate compares to other firms in the industry and how it's affecting your talent management goals. Knowing your employee turnover rate can also help with scenario planning and enable you to be more proactive than reactive when employees leave the business.

Consulting firms can also use this as an opportunity to uncover bigger talent retention problems, especially if their turnover rate is higher than average or has increased recently. A low employee turnover rate can also be used to promote the firm to customers (their account management and project teams are unlikely to change), or potential new hires who want to join an organisation others enjoy working for.

How?

This KPI can be calculated on a monthly, quarterly, or annual basis to identify patterns over specific time periods. The formula is simple:

$$\begin{aligned} &\text{Employee Turnover Rate} \\ &= \\ &\frac{\text{Total Number of Leavers (over a specific period)}}{\text{Average Number of Employees (over the same period)} \times 100} \end{aligned}$$

Who?

This is something that your HR department should be monitoring regularly.

Staff Growth/Decline

What?

The staff growth/decline rate measures how much a company has grown or receded over a specific period. A positive number shows that the company is growing, and a negative number reveals a negative growth rate, which means that the number of people leaving is greater than the number of new employees joining the company.

Depending on your objectives as an organisation, this KPI can help you monitor how you are progressing toward your employee number goal, whether you are looking to grow or move to a leaner model.

Understanding your staff growth/decline rate can also help with resource planning and capacity management. For example, do you have the right number of consultants, with the right skill sets, to deliver your projects?

How?

You can calculate the growth rate in your company by comparing the number of employees at two different points in time and dividing that number by the number of employees at the second time interval. The growth rate is usually expressed as a percentage.

$$\begin{aligned} &\text{Growth/Decline Rate} \\ &= \\ &\frac{(\text{no. of employees in current} \\ &\text{time period} - \text{no. of employees in} \\ &\text{previous interval})}{(\text{no. of employees in previous time} \\ &\text{interval})} \times 100 \end{aligned}$$

Who?

As this requires access to headcount figures over set periods of time, your HR department will be best placed to help with this.

73%

of consulting firms surveyed confirmed that they are planning to increase headcount in 2025, with **22%** planning to increase headcount significantly.

— 6th Annual Deltek Clarity UK Industry Study



Lack of employee engagement was listed as a talent management challenge by **34%** of firms.

— 6th Annual Deltek Clarity UK Industry Study

Employee Satisfaction

What?

Measuring employee satisfaction is crucial for consulting firms if they want to create a positive and productive culture and work environment. Employee satisfaction levels impact employee retention and attracting top talent, and high levels of satisfaction correlate with higher productivity and performance.

Satisfied employees are more open to development opportunities and contribute to a culture of innovation and creativity. Overall, if employees are happy and engaged, they will stay with your business, be productive and contribute towards the firm's success.

Measuring the satisfaction of your employees is essential if you want to avoid employee churn. Monitoring staff growth/decline can help, but talking to your staff regularly about their experience at your firm can give you much more personalised insight.

How?

While there is no specific KPI to measure how satisfied and engaged your employees are, there are a couple of activities we recommend. Firstly, regularly survey your employees anonymously to gauge morale across the firm. Secondly, conduct regular retention interviews with staff and provide a safe space for them to discuss the pros and cons of working for the organisation. And, most importantly, act on the information that you gain.

Who?

Your HR team should take the lead on any initiatives to monitor employee satisfaction, but people managers and the leadership team should also take an active role.

The Ultimate Consulting KPI Checklist

Understanding benchmarks and tracking key performance indicators (KPIs) is a strategic imperative for consulting firms wanting to optimize their performance and drive sustainable growth. But where do you start? Below is a list of the top KPIs tracked by consulting and professional services organizations, as well as benchmarks to help you compare your firm to industry standards.

Project Benchmarks

KPI	Goal	Description	Current Level?
Utilization Rate	80%	The average utilization rate for high-performing consulting and professional services organizations is just over 76%. Consulting firms should be aiming for a utilization rate of 80% (SPI Research)	
Average Project Overrun	8%	High-performance consulting and professional services organizations average 8.6% (SPI Research)	
On-Time Project Delivery	85%	High-performance consulting and professional services organizations deliver projects over 80% of the time vs. an industry average of 73.4% (SPI Research)	
Project Profit Margin	40%	Consulting firms should be aiming for a project margin of 40% (SPI Research)	

People Benchmarks

KPI	Goal	Description	Current Level?
Employee Turnover Rate	13%	Consulting and professional services have some of the highest industry turnover rates at 13.6%. (LinkedIn)	
Headcount / Staff Growth Rate	5%	High-performance consulting and professional services organizations grew at 5.5% vs. industry average of 1.0%. (SPI Research)	
Employee Satisfaction / Recommendation Rate	92%	Great places to work are characterized by high employee engagement and a strong recommendation rate. 92% of high-performing firms would recommend or strongly recommend their company to friends or family. (SPI Research)	
Average Revenue Per Consultant	250K	According to SPI, the average revenue per consultant for high-performing firms is \$250K pa with other firms averaging \$182K. pa. (SPI Research)	

Sales & Marketing Benchmarks

KPI	Goal	Description	Current Level?
Deal Pipeline	202%	Traditional sales rule of thumb says 3:1 is the ideal sales pipeline coverage. However SPI finds that high-performance consulting and professional services organizations average a 202% pipeline relative to bookings (SPI Research)	
Net-New Sales	30%	High-performance consulting and professional services organizations generated 27.9% of their revenue from new clients (SPI Research)	
Win Rate	60%	The win rate for high-performance consulting and professional services organizations is 54.8% (SPI Research)	
Marketing Budget Percentage	10%	The highest-growing consulting firms dedicate 10% of their revenue to Marketing (Hinge Research)	

Overall Company & Profitability Benchmarks

KPI	Goal	Description	Current Level?
Net Revenue Growth	15%	On average, consulting and professional services organizations have grown at a rate of just under 9% in the past five years. Firms wishing to expand should shoot for yearly growth of 15%. (SPI Research)	
Overall Profitability	13%	According to SPI the average is 8.0% but high-performing firms are averaging more than 13%. (SPI Research)	
Client Satisfaction / Reference	75%	Ideally, this would be 100%, but not every engagement ends as a success. According to SPI, 76.7% of clients are referenceable at high-performance consulting and professional services organizations. (SPI Research)	

Note: Let the benchmarks above serve as a reference, but the right KPIs for YOUR firm will depend on many variables, including company size, customer needs and industry(s) served.

Start Tracking Your KPIs



As consulting firms become more data-driven, it's essential that they have the right digital tools in place to collate and analyse data across their business, people and projects. With 80% of consulting firms completely or somewhat reliant on spreadsheets, according to the Deltek Clarity Report, there is some work to do here to ensure that firms have the right tools in place to support accurate KPI tracking.

An intelligent platform purpose-built for the project lifecycle is the most efficient way for architecture and engineering firms to monitor and report on their KPIs. By uniting information from every stage—win, plan, execute, analyse—across the business, you gain full transparency

and more accurate reporting from a single source of truth.

With governance and control built in, you can configure role-based dashboards that surface the right insights to the right people at the right time. This approach makes your team accountable for monitoring their own KPIs, helping them work smarter and more effectively.



To learn more about the challenges impacting consulting firms,

Download the 2025 Professional Services Benchmark Report



Deltek is the intelligent platform that powers the project lifecycle — from ERP and accounting to project bidding, planning, delivery, and analysis. Trusted by 30,000 organizations across government contracting, aerospace and defense, architecture and engineering, construction, and consulting, Deltek delivers the speed, clarity, and control needed when the stakes are high. **Learn more at deltek.com.**

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