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The AI Arms Race: How AI is Transforming Consulting

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Abstract

Artificial Intelligence is reshaping industries, with management consulting at the forefront of this transformation. As firms integrate AI tools into their workflows, the question remains whether AI represents a disruptive force or complement to human expertise. This work explores how human-AI collaboration is shaping the ability of consulting firms to compete, focusing on perceived value, acceptance, and implications.

A mixed-methods approach was used, combining quantitative and qualitative approaches through survey of students and professionals, expert interviews, and extensive review of literature. Findings indicate broad acceptance of human-AI collaboration, with AI perceived as a complementary tool instead of a substitute for human consultants. Respondents associated the adoption of AI with increased efficiencies, faster information processing, and enhanced analytical support, but supporting that human judgment, contextual understanding, creativity, and client interaction remain vital.

Overall, AI was found as a strategic complement to human expertise rather than a disruptive substitute. Competitive advantage in consulting depends on a firms' ability to integrate humans and AI into hybrid models effectively.

Keywords: Artificial intelligence, human-AI collaboration, consulting, technology adoption, competitiveness

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Sumário

A Inteligência Artificial (IA) está a remodelar diversos setores, com a consultoria de gestão na vanguarda desta transformação. À medida que as empresas integram ferramentas de IA nos seus fluxos de trabalho, permanece a questão de saber se a IA representa uma força disruptiva ou um complemento à perícia humana. Este trabalho explora como a colaboração entre humanos e IA está a moldar a capacidade das empresas de consultoria para competir, com foco no valor percebido, na aceitação e nas implicações.

Foi utilizada uma abordagem mista de métodos, combinando métodos quantitativos e qualitativos através de questionários aplicados a estudantes e profissionais, entrevistas com especialistas e uma extensa revisão da literatura. Os resultados indicam uma ampla aceitação da colaboração entre humanos e IA, sendo a IA percebida como uma ferramenta complementar, e não como um substituto para os consultores humanos. Os inquiridos associaram a adoção da IA ao aumento da eficiência, ao processamento mais rápido da informação e ao apoio analítico melhorado, mas salientaram que o julgamento humano, a compreensão contextual, a criatividade e a interação com o cliente continuam a ser vitais.

De um modo geral, a IA foi considerada um complemento estratégico à perícia humana, e não um substituto disruptivo. A vantagem competitiva na consultoria depende da capacidade das empresas de integrarem humanos e IA em modelos híbridos de forma eficaz.

Palavras-chave: Inteligência artificial, colaboração humano-IA, consultoria, adoção de tecnologia, competitividade

Título: Corrida ao armamento da IA: como a IA está a transformar a consultoria

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List of Abbreviations

AI	Artificial Intelligence
BCG	Boston Consulting Group
CAGR	Compound Annual Growth Rate
EY	Ernst and Young
FCF	Fox Corporate Finance
LLM	Large Language Model
COO	Chief Operating Officer
PwC	Pricewaterhouse Coopers
RBT	Resourced-Based Theory
SLM	Small Language Model
VRIN	Valuable, Rare, Inimitable, Non-Substituable
WTP	Willingness-to-Pay

1. Introduction

The consulting industry, valued at well over a trillion dollars globally, is recognized as a foundation of modern business (Statista, 2024). Offering expertise, strategic insights into ongoing trends, and solutions to complex problems, consulting firms have positioned themselves within the industry as critical advisors for organizations operating in increasingly uncertain and competitive environments. Now, all of that is changing with the rapid adoption of Artificial Intelligence (AI). Once seen as an emerging technology on the horizon, AI has quickly evolved into a transformative force reshaping the foundations of consulting (E-SPIN, 2025). With a current market value of USD 8.75 billion and expecting to reach USD 49.11 billion by 2032, growing at a Compound Annual Growth Rate (CAGR) of 24.14%, this transformation is evident as the industry continues to adapt and grow (S&S Insider, 2025).

Artificial Intelligence has moved from simply being theory into practice by being a transformative force reshaping many sectors, and the consulting industry is no exception. Krakowski (2023) identified AI as a new strategic resource that can both complement and substitute the traditional methods of management. Firms able to integrate AI within their existing management frameworks can create unique and hard to copy resource bundles. While Krakowski viewed the strategic logic behind AI as a resource, Oarue-Itseuwa (2024) highlights its implications at the industry level, arguing that AI will create a fundamental shift in the structure of consulting firms over the next five years. Moving from human-led to AI driven action will alter the value proposition from advisory and framework development to AI-powered analytics, internal consulting platforms, and more data-centric approaches. This shift mirrors a broader trend demonstrating how productivity gains, automation of repetitive tasks, and additions of human-decision making are redefining professional services (MDPI, 2024).

The effects of AI transformation are already present. Leading consulting firms such as McKinsey, Boston Consulting Group (BCG), and Deloitte are using AI platforms and internal generative AI tools such as AI agents and chatbots that are supporting research, analyzing client data, and automating employee duties. McKinsey's "Lilli," for example, is designed to search its broad knowledge base and deliver context-specific solutions to consultants within seconds, which significantly reduces time spent by consultants retrieving information (Business Insider, 2025). In

fact in October 2025 OpenAI gave McKinsey an award for surpassing 100 billion tokens.¹ These internal tools are not only savings costs but also accelerate work processes and knowledge sharing across teams. This transformation is reshaping what kind of work consulting firms do and how value is created and delivered for clients. Among professionals not only in consulting but also accounting, finance, and legal, 72% reported using AI at work in 2025 (Global NewsWire, 2025). The adoption of AI is no longer just a recommendation for firms; it's a strategic necessity to stay ahead and sustain competitiveness.

1.1 Problem Statement

This thesis focuses on how AI is a driver of transformation in the multi-billion-dollar consulting industry. Traditionally, consulting has relied on human expertise and vast industry knowledge. Now, with AI technologies becoming more advanced, accessible, and integrated into organizational workflows, consulting firms face both unmatched opportunities and new challenges. As AI continues to advance, it is enabling firms to streamline operations, enhance predictive capabilities and deliver data-driven insights to their clients faster and more effectively than ever. At the same time, this rise in automation creates a dilemma for the consulting industry, since the core value has always been the judgment, creativity, and interpersonal skills of consultants. What would be outcome when machines begin to perform the tasks that were once the areas reserved for human judgment that led to the growth of the consulting industry?

The problem facing consulting firms is not whether to adopt AI but how to integrate it effectively into organizations along with human expertise, in a way that strengthens rather than eliminates their value proposition. While some argue that AI is a strategic resource that can complement existing capabilities, others argue it will alter industry structures, business models, and client relationships in the long run (Oarue-Itseuwa, 2024). With both arguments in mind, this thesis seeks to address the following Research Question:

RQ: How is human–AI collaboration shaping the ability of consulting firms to compete?

¹ https://www.linkedin.com/posts/mckinsey_were-honored-to-be-among-the-top-global-activity-7384392652550586368-o3Bx

2. Literature Review

This chapter reviews existing literature on the key concepts relevant to this study, focusing on competitive advantage, AI as a strategic resource, and the intersection of human-AI collaboration within the consulting industry.

2.1 Competitive Advantage

The concept of competitive advantage is a core theme, albeit contested. (Lieberman (2025) terms the notion not intellectually sustainable), in strategic management. It nevertheless continues to be used to describe how firms position themselves and sustain higher performance in competitive markets. Porter (1980, 1985), argued that a firm's success depends on its ability to position itself within an industry. Subsequently, the Resource-Based View (RBV) now called Resource-Based Theory (Warnerfelt, 1984; Barney, 1991) and the Dynamic Capabilities framework (Teece, Pisano, Shuen, 1997; Barreto, 2010), shifted the view outward, emphasizing that firm performance advantages arise from unique combinations of resources, knowledge, and capabilities as they are reconfigured to meet the exogenous challenges of fast-paced business environments.

As an emerging technology, AI is reshaping professional services highlighting the importance of both external positioning and internal resources and capabilities. Thus, it becomes vital to understand AI development in relation to consulting firms and how they are leveraging AI to compete with peers.

2.1.1 Five Forces and Generic Strategies

Porter's (1980) five competitive forces framework posits that firms need to manage five primary externalities to compete in an industry. These are: competitive rivalry among existing firms, the threat of new entrants into the market, bargaining power of suppliers and buyers, and the threat of substitute products or services (Porter, 1979). By managing for these forces, organizations can make strategic choices to defend themselves against competitive pressures.

Porter (1985) further expanded on this framework through his generic strategies – cost leadership, differentiation, and focus. With cost leadership, a firm's goal is to become the low-cost producer in its industry thereby positioning itself as an above average performer. With differentiation strategies, a firm seeks to possess unique traits that are widely valued by buyers. By selecting one or more attributes that consumers perceive as important or valuable, firms position themselves to be distinct

from rivals. Finally, the generic strategy of focus targets narrow market segments by tailoring products or services to meet specific customer needs (Porter, 1985).

While Porter's framework was influential, critics point to its emphasis on external positioning, market structure, and industry dynamics while overlooking the internal strengths that allows heterogeneous firms to outcompete rivals (Porter, 1996; Barney, 1991; Teece, Pisano, and Shuen, 1997).

2.1.2 Resource-Based View

The Resource-Based View (RBV), first articulated by Wernerfelt (1984) and later evolved by Barney (1991), moves from external industry positioning to internal firm resources and capabilities. According to this theory, firms sustain competitive advantages when they possess resources that are valuable, rare, inimitable, and non-substitutable (VRIN) (Barney, 1991). These resources include tangible assets such as technology and financial capital, as well as intangible assets such as brand reputation, organizational culture, and employee knowledge. The VRIN acronym has been modified to add other resource qualities like "exploitable." It has been critiqued by scholars for being tautological and for the fact that the VRIN-ness of resources can only be known *ex post* which does not permit the theory to have predictive qualities and meaningful managerial implications (Priem & Butler, 2001; Connor, 2002; Apriliyanti, 2022).

2.1.3 Dynamic Capabilities

The Dynamic Capabilities framework developed by Teece, Pisano, and Shuen (1997) argue that a firm's ability to integrate, build, and reconfigure resources in response to rapidly changing exogenous environments are the determinants of success. Teece et al. (1997) stated that "the framework [...] depends in large measure on honing internal technological, organizational, and managerial processes inside the firm" (p.516). Barreto defines Dynamic Capabilities as the firm's "potential to systematically solve problems formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resource base" (Barreto, 2010). Capabilities also include product development, strategic decision-making and alliance formation (Eisenhardt & Martin, 2000; Teece, 2010, 2018; Teece et al., 1997). Adaptability is also needed in light of technological and market uncertainties (Adner & Helfat, 2003; Ethiraj et al., 2005; Helfat & Peteraf, 2003; Lee & Kang, 2015; Teece et al., 1997).

Dynamic Capabilities highlights that superior performance is not derived solely from possessing valuable resources but from the firm’s ability to continuously renew and adapt them.

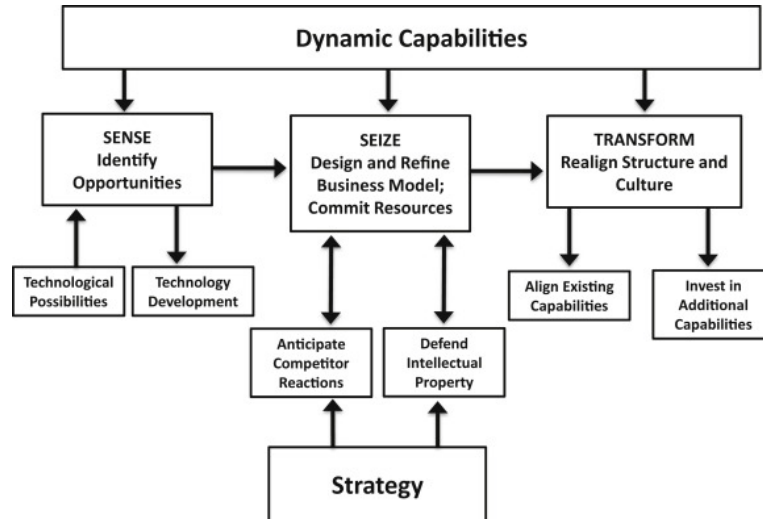


Figure 1: Simplified schema of Dynamic Capabilities. Source: Science Direct

2.2 Innovation

Innovation is universally recognized as a key driver of firm success, allowing firms to differentiate themselves, enhance operation performance, and respond to changing market dynamics (Wanyoike and Kinyua, 2025).

2.2.1 The Innovators Dilemma: Disruptive, Sustaining, and Efficiency Innovation

The concept of the Innovator’s Dilemma coupled with disruptive innovation, introduced by Christensen (1997), lays out a framework for understanding how firms navigate technological change. Christensen (1997) observed that established incumbent companies often focus on improving their current offerings for their most demanding and profitable customers, a process he called sustaining innovation. While sustaining innovation strengthens current offerings and efficiency innovation is oriented towards cutting costs and operational efficiency, these can lead firms to overlook emerging market opportunities (Christensen, Raynor, and McDonald, 2015).

In contrast, disruptive innovation emerges when smaller or more agile firms introduce products or services that initially target underserved or low-end market segments. Over time, these innovations can challenge incumbents by creating new value networks or converting non-consumers into customers (Christensen, Raynor, and McDonald, 2015). Within the consulting industry, AI-driven

solutions exemplify disruptive innovation, enabling firms to deliver faster, data-driven, and cost-efficient advisory services that can redefine clients' expectations and competitive dynamics in the industry.

Efficiency innovation which focusing on cost reduction and process optimization (Ardem, 2025) is notable for consulting firms whereby AI applications can automate repetitive tasks such as data analysis, benchmarking, or report generation. These innovations improve productivity and scalability but do not alter the firm's overall value proposition or market position.

2.2.2 Innovation in Professional Services

Innovation within professional services such as consulting, differs widely from innovation in manufacturing or product-based industries. The services provided by consulting firms are intangible, driven by knowledge, and dependent on human expertise. Hence, innovation in this industry often arises through changes in methodologies, processes, and client engagement models rather than through the development of physical products (Miles, 2005; Gallouj and Weinstein, 1997). The main idea for innovating in consulting lies on creating, codifying, and applying knowledge in new ways to improve client outcomes, enhance efficiency, and sustain competitive advantage.

2.2.2.1 Nature of Innovation in Professional Services

The particular nature of professional services innovation stems from its reliance on human capital and organizational learning. According to Gallouj and Weinstein (1997), innovation in services often involves the reconfiguration of knowledge and expertise to meet evolving client demands. Løwendahl (2005) further explains that consulting firms innovate through developing new frameworks, analytical tools, and delivery models that strengthen the firms problem-solving and decision-making capabilities.

2.2.2.2 Digital Transformation and the Role of AI

Over the past few years, digital transformation has become a significant driver of innovation. Technologies such as AI, machine learning, and automation have enabled consulting firms to enhance analytical accuracy and deliver data driven insights at higher rates. Bouncken and Barwinski (2021) describe this as a shift toward digital augmentation, where technology amplifies human expertise rather than replace it.

2.3 Artificial Intelligence in Consulting

As AI technologies become more mature, the integration of such technologies into consulting not only increases operational efficiencies but also changes the basis of competition.

2.3.1 AI as a Source of Strategic Advantage

AI is reshaping competitive dynamics by enabling firms to combine both data-driven intelligence with human expertise. Davenport and Mittal (2022) emphasize that by integrating AI into their work, consultants are able to process vast datasets, detect complex patterns, and generate insights faster than ever before, allowing consultants to focus on higher-order cognitive and interpersonal tasks. Studies show that firms integrating AI into consulting workflows experience productivity improvements of 30-40% (IBM, 2025; The Hackett Group, 2025). This transition creates a shift from “expertise-based competition” to AI-augmented advisory models, where the competitive edge lies in integrating technological capabilities with human judgment.

The Big Four (Deloitte, EY, KPMG, and PwC) are demonstrating this strategic evolution by scaling their AI-driven approaches. In 2025, EY reported a 30% increase in AI-related revenue, compared to an overall growth of only 4%, demonstrating how AI capabilities are now seen as a leading driver of performance (Business Insider, 2025). Deloitte’s AI and data-driven consulting practices now exceed \$25 billion USD annually, while PwC and EY each report between \$2.5 billion and \$3 billion USD in AI and digital transformation services (The Finance Story, 2025). These figures show that competitive advantage within the consulting sector is increasingly dependent on their ability to integrate AI into their systems and delivery to the client.

2.3.2 Embedding AI within Organizational Capabilities

The strategic value of AI extends beyond its technological potential to how it is effectively integrated in organizational processes and culture. Krakowski (2023) conceptualizes AI as both a complementary and substitutive resource, emphasizing that its role in achieving competitive advantage stems from its ability to strengthen and complement existing human and organizational capabilities. From the perspective of RBV, AI qualifies as a resource asset when firms combine it with both human knowledge and strategic routines (Barney, 1991).

Teece (2018) argued that long-term advantage is dependent not only on owning technology but on cultivating Dynamic Capabilities. Consulting firms that integrate AI into dynamic processes

strengthen their capacity for continuous learning and innovation. For example, McKinsey's internal AI platform, Lilli, reduces information retrieval time by over 60%, allowing consultants to focus more on insight generation as opposed to manual data gathering (Business Insider, 2025).

2.3.3 Large Language Models and Small Language Models

As AI continues to evolve, advancements have been introduced that require an important distinction between Large Language Models (LLMs) and Small Language Models (SLMs), that each play a different but supporting role in consulting firms' AI strategies. LLMs such as GPT-4, Gemini, and Claude, are defined by their large training datasets and billions of parameters, allowing for broad generalization, reasoning, and generative capabilities (OpenAI, 2023; Anthropic, 2024; Google DeepMind, 2023). In consulting, LLMs support tasks such as research automation, drafting deliverables and synthesizing market intelligence across industries (Davenport & Mittal, 2022; McKinsey Global Institute, 2023).

In contrast, SLMs are smaller domain-specified models that are trained on proprietary or confidential datasets, often developed by the firm itself. These SLMs offer enhanced controllability, lower computational costs, and improved alignment with a firm's specific methodologies (Zhang et al., 2024; Meta AI, 2023). Since SLMs can be adjusted securely on internal project data, knowledge libraries, and expert frameworks, they are more frequently used for tasks requiring confidentiality and industry specific reasoning (PwC, 2024a; EY, 2023). For consulting firms whose competitive advantage depends on their proprietary knowledge assets, SLMs generate consistent, context-relevant outputs that represent the firm's internal intellectual capital.

2.4 Human-AI Collaboration and the Future of Consulting

The collaboration of Human-AI is seen as a defining capability for professional service firms that are navigating the ever-changing environment of digital transformation, referring to the interactive partnership between human judgment and machine intelligence that is aimed at enhancing decision-making, creativity, and problem-solving (Davenport and Mittal, 2022). Rather than replacing consultants entirely, AI systems increase their cognitive reach by taking on the task of automatic repetitive tasks allowing humans to focus on the high-value tasks (Brynjolfsson and McAfee, 2017).

2.4.1 The Big Four's Adoption of Human-AI Systems

Deloitte, EY, KPMG, and PwC, also known as The Big Four, are at the forefront of AI implementation across consulting operations. PwC for example, created its own internal generative-AI assistant, ChatPwC, that aids consultants in analyzing data, draft reports, and access firm knowledge bases securely (PwC, 2024a; PwC Belgium, 2024). The tool was a result of the firm's \$1 billion AI and automation investment and complements its large-scale partnership with OpenAI, which provides ChatGPT Enterprise to over 100,000 employees across the U.S. and U.K. (Reuters, 2024; CIO Dive, 2024).

Other firms mirror this shift. Deloitte's Ai Institute for Trust focuses on ethical and transparent AI deployment (Deloitte, 2024), while EY.ai integrates generative AI into audit and tax practices to enhance accuracy and speed (EY, 2025). KPMG's Ignite platform applies AI and machine learning into risk management and financial modeling (KPMG, 2024).

2.4.2 Challenges, Risks, and Organizational Barriers in Human-AI Collaboration

Despite the potential of human-AI collaboration, consulting firms have and will face several challenges that can hinder effective adoption and limit performance gains. A central notable concern is the issue of trust, including both the employees' trust in AI generated outputs as well as the clients' trust in AI supported recommendations. A survey conducted by PwC shows that "93% of business executives agree that building and maintaining trust improves the bottom line" (PwC, 2024). Research shows that professionals often hesitate to rely on algorithmic suggestions in regard to concerns about accuracy, transparency, and potential biases in the models (Raisch and Krakowski, 2021; Dietvorst, Simmons, and Massey, 2015). This phenomenon of algorithmic aversion can reduce the effectiveness of AI tools and create unwanted friction in workflows intended to enhance efficiency.

A second barrier is organization readiness, including technological infrastructure, data quality, and cross-functional integration. Consulting firms have seen a frequent struggle with fragmented legacy systems, inconsistent knowledge repositories, and limited data standardization, all of which limit AI's ability to produce reliable insights (MIT Sloan Management Review, 2023; IBM, 2024).

Workforce capabilities and skill gaps introduce a third challenge. Human-AI collaboration requires consultants to develop new skills in model evaluation, prompt engineering, probabilistic reasoning, data ethics, and AI oversight (Wilson & Daugherty, 2018; World Economic Forum, 2024).

However, research shows that most professional services firms face shortages in these hybrid skill areas that require more training (McKinsey, 2023).

Another critical barrier includes knowledge erosion and over-reliance on automation. As AI systems make it easier to conduct analytical and research tasks that are traditionally performed by junior tiered employees, firms risk diminishing opportunities for experiential learning, apprenticeship style training, and domain expertise development (Susskind and Susskind, 2022; Faraj et al., 2018). This dynamic called “skill atrophy,” raises long-term concerns about whether the next generation will possess the deep expertise that is required for senior advisory roles.

2.4.3 Evolving Consulting Roles in an AI-Augmented Workforce

The collaboration between humans and AI is reshaping consulting roles and skill requirements. AI automates the repetitive and routine analytical work, creating a shift for consultants to increasingly place their focus on tasks requiring advanced judgement, client management, creativity, and strategic interpretation (Susskind and Susskind, 2022; Bessen, 2019). This literature describes this shift as a transition from “productive work” to “interpretive and relational work,” where competitive advantage arises from a consultant’s ability to apply human insight to AI-generated deliverables (Faraj, Pachidi, and Sayegh, 2018).

Consultants increasingly require hybrid skill sets that combine analytical reasoning, digital literacy, and domain expertise (World Economic Forum, 2024). “Automation isn’t replacing consultants- it’s replacing the low-value tasks they used to do” (Consulting Quest, 2025), creating a value creation shift towards human-AI complementarity.

2.4.4 Client Expectations, Value Co-Creation, and Trust

AI is also reshaping client expectations and the value co-creation process in consulting engagements. Clients increasingly expect faster turnaround times, data driven and supported insights, and transparent reasoning (Accenture, 2023; Gartner, 2024). However, research shows that trust remains the central determinant of whether clients accept AI-augmented recommendations (Lacity and Willcocks, 2021). Clients often express concerns regarding data confidentiality, algorithmic bias, explainability of AI-generated insights, and potential over-reliance on machine outputs (Gartner, 2024; IBM, 2023).

As a result, consulting firms position AI as an enhancer rather than a replacement for human expertise, emphasizing the importance of joint human-AI decision making and transparent communication of model limitations. This hybrid approach strengthens the consultant-client relationship and creates a more collaborative, iterative form of value creation for both sides (Boardroom Advisors).

2.5 Implications

The literature reviewed in this chapter offers a multidimensional perspective on how competitive advantage is conceptualized, developed, and sustained in the consulting industry and how the emergence of AI is reshaping these dynamics. Theories concerning strategic choices firms make in order to compete with peers highlight both external industry forces and internal resource configurations as determinants of firm performance, while innovation literature underscores the role of technological disruption in reshaping entire sectors. As AI is increasingly embedded in workflows, these perspectives coincide, offering new insights into what enables firms to compete effectively in this evolving landscape.

2.5.1 Identifying Gaps

Despite growing interest of the role AI plays in consulting, significant human-centered gaps remain. First, there is limited empirical evidence on how AI reshapes the human elements of consulting such as professional judgement, relational dynamics, interpersonal trust, and the co-creation of insights with clients. While studies acknowledge the analytical enhancements AI brings to consulting, few explore how consultants interpret, contextualize, or challenge AI outputs, or even how these interactions influence firm performance and client satisfaction.

Secondly, research on client perceptions of AI-augmented consulting remains limited. Historically, consulting has been seen as a relationship-driven profession where clients value interpersonal trust, emotional intelligence, and credibility of advisors. Yet, little is known about how clients perceive and evaluate hybrid recommendations, how much human reassurance remains necessary for buy-in, or how AI might reshape expectations around empathy, communication, and partnership in advisory.

Additionally, there is limited research to how AI adoption affects the identity, culture, and meaning associated with consulting work. Questions remain about how consultants understand their roles while navigating AI-augmented environments, how they maintain a sense of professional

legitimacy, and how firms can preserve human-centric value while increasingly relying on automation. Issues such as knowledge erosion, loss of critical thinking skills, and reduced apprenticeship opportunities require deeper exploration.

Lastly, the literature lacks comparative analyses on how different types of consulting firms whether large versus boutique, strategy versus technology, or global versus regional adapt culturally, structurally, and psychologically to AI. These variations are crucial as firms differ not only in their technological capabilities but also in their human capital philosophies and the value they place on interpersonal expertise.

Together, these gaps demonstrate a need for research that examines not only the integration of AI but also the human experience of consulting in an AI-enabled world. Understanding how consultants and clients navigate this shift is essential for explaining how AI is ultimately affecting competitive advantage in the industry.

3. Research Methodology

This chapter outlines methodological frameworks that guide this study, explain the chosen research design, data collection methods, and analytical approach used to investigate how human-AI collaboration is shaping competitive advantage in consulting firms.

3.1 Research Design

This study used a mix-methods approach, combining both qualitative and quantitative approaches to provide a comprehensive understanding of how consulting firms adopt and utilize AI technologies. Mixed methods are deemed appropriate for this topic as AI's influence is both measurable, in terms of adoption patterns, perceived efficiency, and client attitudes, as well as interpretive involving strategic, ethical, and cultural dimensions.

The qualitative component, semi-structured expert interviews, allows for in-depth insights to how AI transforms consulting practices, organization capabilities, and client relationships. The quantitative component, a structured survey, collects measurable data on perception, drivers, and barriers of AI adoption from both students and professionals. This approach allows for triangulation, improving the validity and richness of findings by comparing and integrating results from both datasets (Creswell and Clark, 2018).

3.2 Data Collection

The following paragraphs discuss data collection methods used in *Chapter 4*.

3.2.1 Primary Data: Expert Interviews

Qualitative expert interviews were conducted to complement the survey findings and to generate deeper insights into how consulting firms and integrating and leveraging AI technologies. As Rowley (2012) explains, interviews are “generally used to conduct qualitative research, in which the researcher is interested in collecting “facts,” or gaining insights into [...] opinions, attitudes, experiences, processes, behaviors, or predictions” (p.261).

The qualitative component of this research consists of 12 semi-structured expert interviews with professionals from the Big Four (Deloitte, EY, KPMG, and PwC), mid-sized consultancies, and boutique advisory firms. Participants include consultants, AI leads, innovation managers, and digital transformation specialists. The interview questions consisted of 16 open-ended questions centered around four areas: (1) the drivers of AI adoption, (2) organizational barriers and risks, (3)

human-AI collaboration and changing work roles, and (4) implications for competitive advantage. Interview requests were sent to 40 potential interviewees via email, LinkedIn, or private networks. The 12 experts who agreed to be interviewed, their current positions, and experience in either Big Four consulting, smaller consultancies, and financial advisory firms, are outlined in *Table 1*. Interviews were conducted via cellphone call or Teams. Conversations averaged 30-45 minutes and were transcribed with permission. Responses were analyzed using thematic analysis to identify common themes, patterns, and trends (Krippendorff, 2004). The responses per expert are summarized in Appendix III.

3.2.2 Primary Data: Insights Survey

As perceptions are continuously being formed about the implications of AI in a professional environment, a survey was designed to test broad and measurable insights into how individuals, including students, new entrants, and current professionals view AI's integration into consulting. The survey assessed attitudes toward adoption, perceived benefits, potential risks, human-AI collaboration, trust, competitive advantage, and concerns relating to bias, hallucinations, and privacy.

The survey was developed based on themes identified in the literature, such as AI adoption drivers (Davenport and Mittal, 2022), barriers such as trust, bias, hallucinations, and privacy (Raisch and Krakowski, 2021; Dietvorst et al., 2015, PwC, 2024), human-AI complementarity (Brynjolfsson and McAfee, 2017), and client expectations and differentiation in AI-augmented consulting (Accenture, 2023; Gartner, 2024). The survey consisted of 27 questions² six thematic areas: (1) demographics, (2) exposure to AI and familiarity with consulting, (3) perceptions of human-AI collaboration, (4) trust, risk, and ethical concerns, (5) client trust and willingness to engage with AI-augmented consulting, and (6) competitive advantage and differentiation. The survey was conducted through Qualtrics once, allowing respondents to complete it anonymously and without researcher interference³, aimed towards an international population above 18 years old. As the survey concluded, 145 respondents began the survey and 129 finished.

² Question types included demographic questions, multiple choice questions, 5-point Likert scale question, and options for open ended.

³ Aside from two information boxes regarding the survey concept and the definition of AI in the context of the survey.

Interviewee	Current position and expertise
INT1	Senior Associate at Pricewaterhouse Coopers (PwC), Digital Tax Team and AI Cohort Lead. Expertise in artificial intelligence, digital transformation, and integration of emerging technologies within tax and professional services.
INT2	Manager at Pricewaterhouse Coopers (PwC), Solutions Operations and Technology Strategy, serving as AI Champion. Experience in operational innovation, AI implementation, and technology-driven solutions.
Luis Sarmiento	Managing Director at PwC. Executive-level strategic transformation, technology-enabled advisory services, and leadership of large, complex client engagements.
INT3	Director at PwC with expertise in strategic advisory, organizational change, and managing multi-disciplinary consulting projects.
Vasco Rato	Strategy and Operations Consultant at Deloitte. Expertise in strategy analysis, operational improvement, and supporting organizations in aligning operations with strategic objectives.
INT4	Senior Manager at Deloitte in Business Consulting. Extensive experience leading large-scale transformation initiatives, process redesign, and client relationship management.
Marcel Lange	Chief Operating Officer (COO) at Fox Corporate Finance (FCF) with a focus on Finance Strategy. Expertise in corporate finance, financial strategy, M&A, and executive-level financial advisory.
Manuel Alberts	Real Estate Appraiser at Einwert. Expertise in property valuation, market analysis, and financial assessment within the real estate sector.
INT5	Senior Advisor Development Coach at Raymond James. Expertise in talent development, leadership coaching, and performance enhancement within financial advisory services.
INT6	Senior Program Manager at Raymond James. Experience in program management, cross-functional coordination, and execution of strategic initiatives in financial services.
INT7	Strategy and Execution Consultant at Ernst&Young (EY) with experience in translating corporate strategy into actionable execution plans, including operational transformation and performance management.
INT8	Forensic and Integrity Assurance Senior at EY with expertise in forensic accounting, risk management, compliance, and integrity assurance with complex organizations.

Table 1: Overview of Interviewees

4. Analysis and Discussion

The insights survey is analyzed in *Chapter 4.1* and expert interviews are analyzed in *Chapter 4.2*. Using a triangular approach, the insights are combined using the primary data and secondary data (see *Chapter 2*) to assess human-AI collaboration on the ability of consulting firms to compete (see *Chapter 5.1*).

4.1 Human-AI Collaboration Insights from Experts

To complement survey findings, semi-structured expert interviews were conducted with professionals from the Big Four and close domains. The interviews were analyzed through open coding and thematic analysis, as outlined in *Chapter 3.2.2*. The resulting thematic categories are presented in Appendix IV. Findings were triangulated with the literature review (*Chapter 2*) and the survey results (*Chapter 4.1*) to identify any common themes or contradictions. Final conclusions are summarized in *Chapter 5*.

4.1.1 Key Dimensions of How Human-AI Collaboration Shapes Competitiveness

The identified themes are presented in order of importance, based on the frequency and emphasis observed in the expert interviews.

4.1.1.1 Efficiency Gains and Scalability as a Baseline Competitive Factor

All experts mentioned efficiency improvements as the most immediate and tangible impact of AI adoption in consulting. Experts emphasized the wide use of AI to accelerate research, data processing, documentation, and drafting tasks, particularly in the early stages of a project or engagement, comparing it to a “second pair of eyes.” As one interviewee explained, AI allows consultants to create “very, very clean overviews of markets, industries, and publicly available information,” significantly reducing time spent on information gathering (INT7).

Several experts identified that these efficiency gains are converted into increased scalability, allowing the firms to deliver more output with the same and even fewer resources. One PwC interviewee noted that AI has “revolutionized consulting by driving immediate cost reductions” and has become central to how engagement teams operate (INT1). Similarly, another expert mentioned

that AI helps firms “serve clients in a shorter amount of time” by increasing capacity through automation (INT5).

However, experts agreed that efficiency alone is not a sustainable competitive advantage. As one interviewee stated, “AI has become a strategic necessity rather than a differentiator” since most firms are using similar tools (Manual Alberts).

4.1.1.2 Human Judgment and Contextual Understanding as Differentiators

Even with widespread AI adoption, experts emphasized that human judgment, high level contextual understanding, and relational skills will always remain central to consulting competitiveness. Repetitive and data-sensitive tasks were repeatedly referred to as an effective task for AI to handle, but not sufficient for tasks that require decision making and client-specific interpretation. One interviewee mentioned, “AI can give you an answer, but it doesn’t know whether that answer makes sense for this client, in this situation” (INT2). Another interviewee mentioned, “Human judgment remains essential when it comes to interpreting results, making complex assessments, taking strategic decisions, dealing with ambiguity, and developing creative solutions” (Marcel Lange).

Experts also stressed that while AI adoption in consulting is growing, the industry will remain fundamentally relationship driven. It’s a mutual understanding between the experts that “consulting will always be driven by human connection” and that while AI has its efficiencies, “the human connection is what truly matters” (INT3). Luis Sarmiento also stated, “technology cannot replace the value of strong client relationships, which remain central to a firm’s success and reputation.”

These insights reinforce the survey findings that there is higher trust in human-AI collaboration compared to fully automated approaches and aligns with the literature which sees consulting as a trust-based professional service.

4.1.1.3 AI as an Efficiency Tool versus a Source of Value Creation

While efficiency gains were a common denominator for the interviewees, they also deviated on whether AI can be seen to enable new forms of value creation. Several interviewees spoke about the ability for AI to extend consultants’ cognitive capabilities by allowing for higher level analysis and creativity. INT3 described AI as “not only an efficiency tool but also a catalyst for new forms of value creation,” allowing consultants to focus on more meaningful work while AI handles the repetitive, tedious tasks.

In contrast, other experts expressed a certain level of doubt regarding AI's ability to generate differentiated client value. An interviewee from Deloitte stated that AI is "more of a cost reduction mechanism than a value-expansion driver," particularly since clients are increasingly gaining access to the same tools used by consultants (INT4). In a similar way, INT7 noted that while AI improves speed and precision, "it doesn't fundamentally change what consulting firms deliver or how clients are charged."

4.1.1.4 Organizational Integration, Culture, and Governance

How effectively AI is integrated into organizational workflows rather than from access to the technology itself derives competitive differences according to the experts. Several experts highlighted the importance of culture, governance, and structured adoption for proper integration of AI into organizations. Luis Sarmiento observed, "since most firms use similar AI tools, the distinction in the market comes from how firms foster a culture of adoption and leverage human relationships with clients."

Organizational and ethical challenges were also presented as barriers to integration. Experts mentioned concerns regarding data security, confidentiality, and hallucinated outputs. Vasco Rato raised concerns that "AI is powerful, but without human review it can just as easily create problems as solve them," reiterating the continued necessity of human oversight in consulting engagements. This concern was reinforced through references to the Deloitte Australia case, which several experts referred to as an example of the risks associated with limited review of AI generated content. According to one expert from Deloitte, the case shows "just how vital human review is" when AI outputs are not adequately challenged.

Beyond quality control, organizational culture and governance frameworks influence the pace and effectiveness of AI integration according to experts. Conservative risk cultures, slow decision-making processes, and fear of damage to the firm's reputation were identified as constraints that can limit meaningful integration. "The most significant challenges are organizational, not technical" suggested one interviewee, showing that discipline in governance and cultural readiness are critical determinants of whether AI enhances or diminishes consulting performance.

4.1.1.5 Skills, Capabilities, and Role Transformation

It was agreed by experts that human-AI collaboration is reshaping the skill requirements of consultants. Rather than replacing consultants entirely, AI was consistently described as altering the

nature of the work consultants do by steering away from routine analytical tasks and focusing more on higher-value client activities such as judgment, interpretation, and client interaction. One interviewee noted that AI “removes a lot of the mechanical work, which means consultants need to be much stronger at framing problems and interpreting results.” Another said “AI will continue to reshape roles and workflows, particularly at junior levels, but without eliminating the need for human expertise. Both large firms and startups are adapting structures to integrate technology while preserving consulting’s people-driven nature.”

4.2 Levels of Acceptance on the use of AI

The survey suggested that there is generalized acceptance of human-AI collaboration reshaping competitiveness within consulting. Final conclusions concerning acceptance are discussed in *Chapter 5*.

4.2.1 Demographics

The sample was skewed towards male respondents (57%) versus females (42%). Gender was not diverse, as there is one non-binary/third gender respondent and one who preferred not to say.

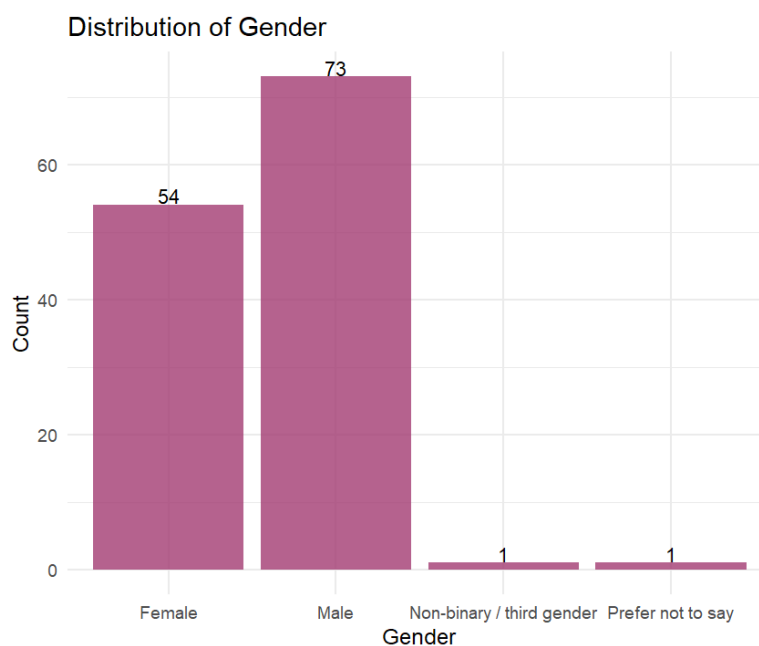


Figure 2: Distribution of Gender

Age distribution was skewed towards the younger and older groups (*see Figure 2*), with most respondents falling between the 24 to 30 age range (46) and above the age of 37 (40). The smaller

proportion of respondents were aged between 18-23 (30), and only a few (13) fell between the 31-36 age range.

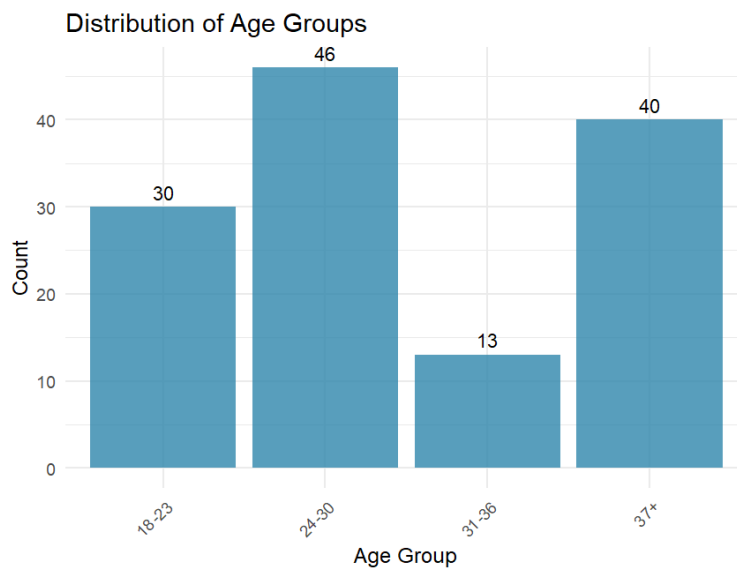


Figure 3: Age Distribution

Figure 3 presents the distribution of respondents across different organization sizes. The sample was primarily composed of individuals working in small organizations with 1 to 50 employees (41%) and large companies with 1,000+ employees (34%). Medium-sized organizations, both 50 to 249 and 250-999 represented a smaller distribution of 15 and 14 respondents. Three respondents did not indicate organizational size.

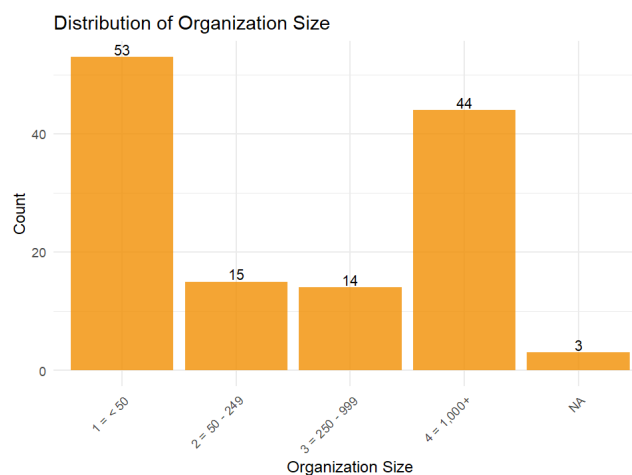


Figure 4: Distribution of Organization Size

The respondent's organization type (Figure 4) was dominated by management/strategy consulting firms (43 respondents, 33%) and corporate (non-consulting) firms (35 respondents, 27%). The others category captured 22 respondents or 17% of the sample and academic/research institutions

represent 13%. There was minimal representation of Startups (4), IT/Technology consulting (6), and unspecified (2).

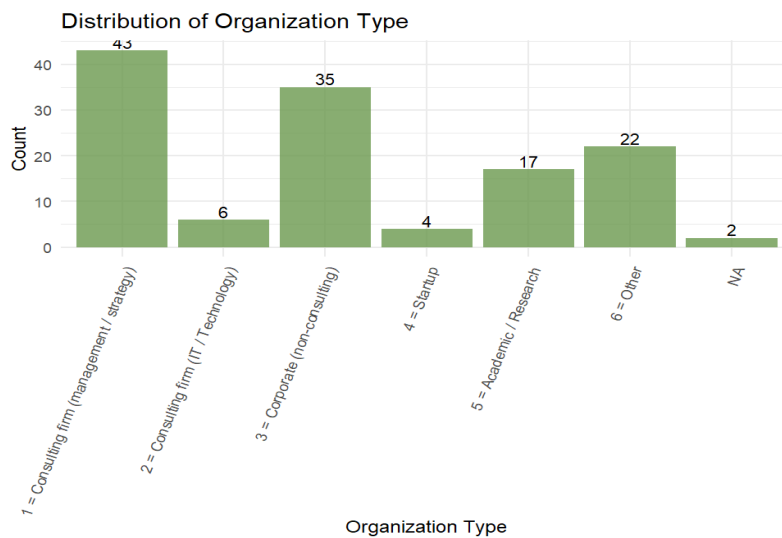


Figure 5: Distribution of Organization Type

4.2.2 AI Patterns

Human aspects in AI-enhanced consulting were rated highly by the respondents with 82% choosing the Very/Extremely importance level. The respondents who found human judgment, creativity, and interpersonal skills to be not at all important, slightly important, and moderately important were only 2, 6, and 15 respondents retrospectively. This agreement can be viewed as a strong belief that human input is irreplaceable despite the development of AI, see *Figure 5*. The strong emphasis on human judgment, creativity, and interpersonal skills aligns with the literature on professional services innovation, which highlights human capital as the primary source of value creation in consulting (Miles, 2005; Gallouj and Weinstein, 1997). From a RBT perspective, human elements were seen as valuable and hard to imitate resources that underpin sustained competitive advantage (Barney, 1991).

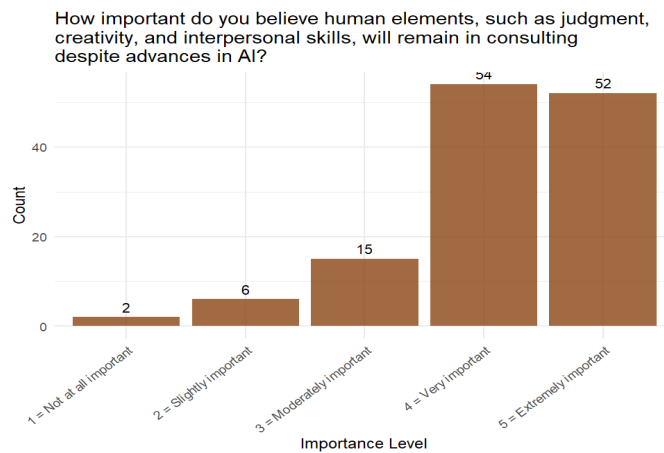


Figure 6: Distribution of Human Elements

The most effective task of AI (*Figure 6*) according to 43% respondents was data analysis and research and report generation or documentation (29%). Client presentations followed with 16%, with the lowest being strategy development/problem solving with a count of 9 and financial modeling with 6 respondents. This hierarchy captured the present capabilities of AI in the structured and data-intensive tasks compared to high-level strategic thought. The concentration of AI effectiveness in data analysis, research, and documentation reflected the description of AI as an efficiency enhancing innovation rather than a substitute for strategic judgment (Christensen et al., 2015).

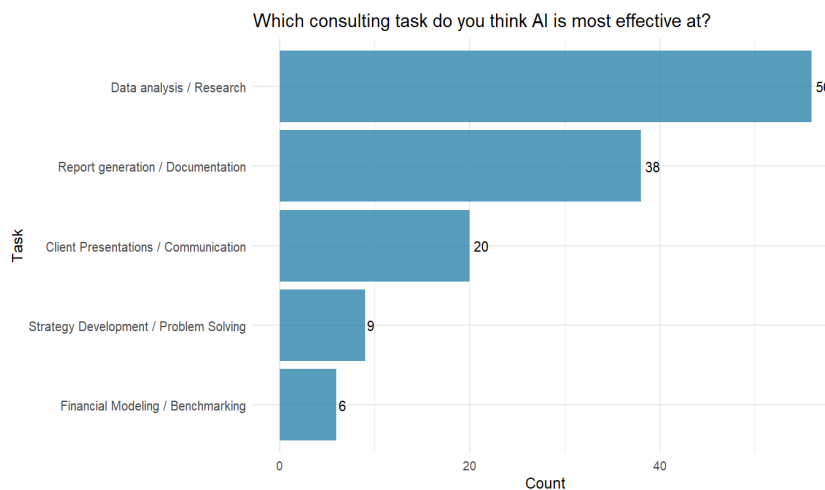


Figure 7: Distribution of AI Effectiveness

Figure 7 shows the perceived competitive advantage of AI in consulting. Speed and efficiency of delivery were the top selection with 101 responses, describing it as the main competitive advantage of AI. The next advantages were cost leadership (51 respondents) and quality/depth of insights (49 respondents). Client customization (39) and client knowledge management (36) were of less

importance. This trend indicated that the respondents viewed AI as an accelerator of operations but not a strategic differentiator. Our findings align with Christensen’s (1997) notion of efficiency innovation and Porter’s (1985) cost leadership strategy, while reinforcing that technology-driven efficiencies rarely generate sustained competitive advantage unless combined with human and organizational capabilities (Teece et al., 1997).

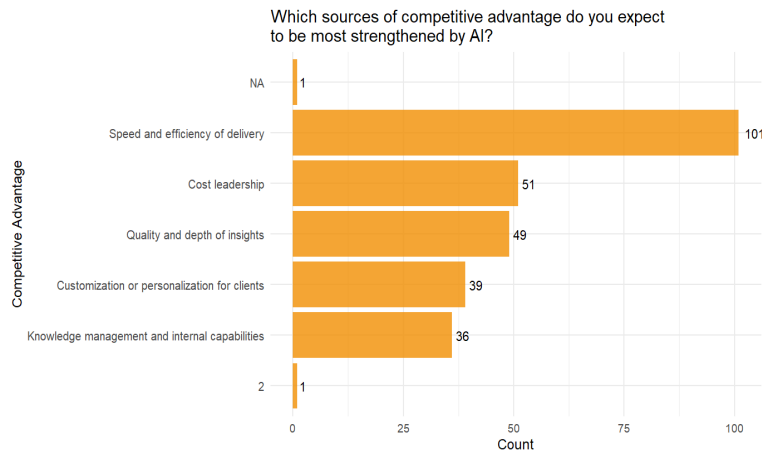


Figure 8: Distribution of Competitive Advantage

Risks and challenges perceived from human-AI collaboration are shown in *Figure 8*. The concern regarding overreliance and loss of expertise were the highest rated with 107 respondents and this was the main fear that respondents had. Ethical and privacy concerns followed with 86 respondents. Reduced client trust (65) and job displacement (62) indicated interpersonal and employment fears. Strategic misalignment was selected by 34 respondents, showing that tactical concerns were more important than strategic ones. As discovered in the literature, Susskind and Susskind (2022) and Faraj et al., (2018) placed emphasis on skill atrophy, knowledge erosion, and diminished experiential learning. Ethical and privacy concerns also supported existing research highlighting trust and accountability as barriers to effective AI adoption (Raisch and Krakowski, 2021).

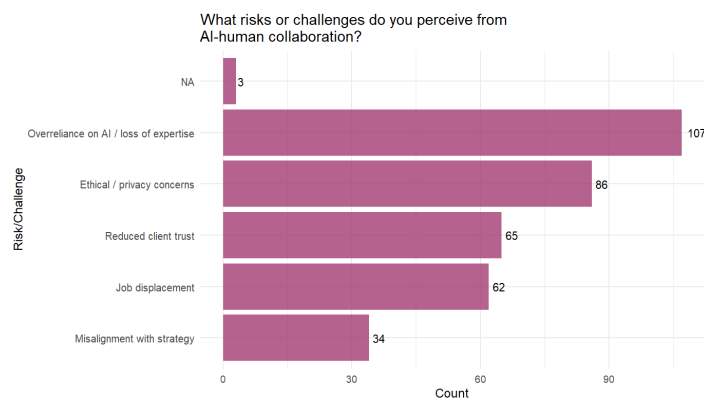


Figure 9: Distribution of Risks and Challenges

4.2.3 Willingness-to-Pay

Respondents who considered AI as a complement expressed uncertain views on Willingness-to-Pay (WTP), as over half were ready to pay the same (22) or less (18). Similar trends were seen by those who anticipated equal human-AI mix (29 pay less, and 25 remain unchanged).

Interestingly, the consumers who viewed AI as a substitute to human beings were resistant to lower charges. Overall, there was no evidence that adoption of AI leads to the acceptance of a premium price. As suggested by Christensen et al. (2015) and Porter (1985), efficiency driven innovations do not increase perceived client value or Willingness-to-Pay unless accompanied by human attributes.

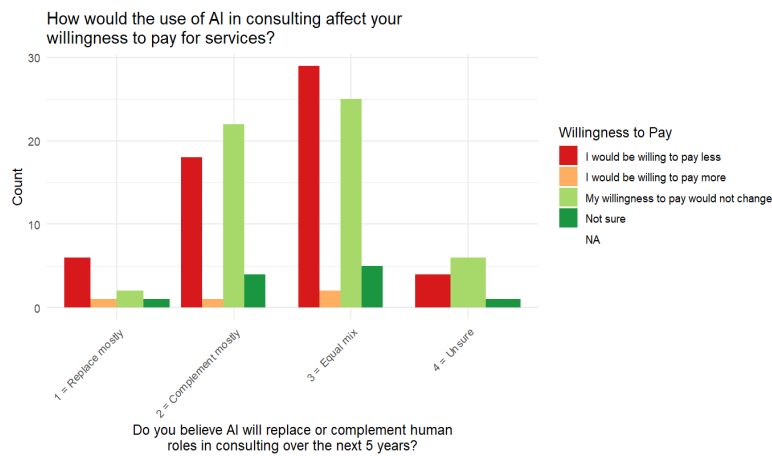


Figure 10: AI on Willingness-to-Pay

4.2.4 Client Comfort

The levels of comfort among clients with AI-assisted consulting was moderately positive, with 53 respondents at level 4 and 33 respondents at level 3, which were a majority (67%).

Discomfort levels 1 and 2 showed 24 respondents, while the number of very comfortable (level 5) was 16. This implies that AI integration was generally accepted by clients, but there was no excessive level of enthusiasm, as seen in *Figure 10*.

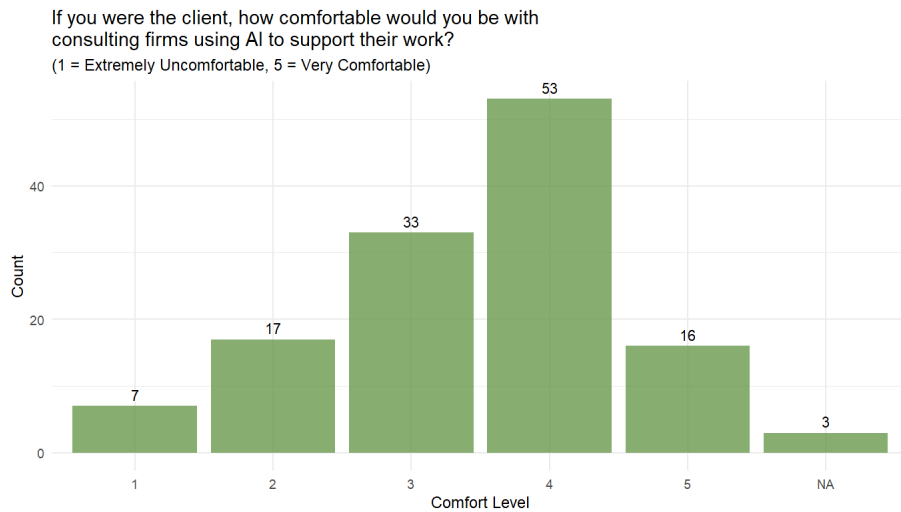


Figure 11: Client Comfort with AI

Figure 11 showed client comfort with AI assisted consulting across the various organization sizes. Comfort levels were moderate across organizations, with most clustered at levels 3 and 4. Smaller organizations showed more dispersion in comfort levels, including both lower outliers and higher comfort responses. Overall, we see no clear relationship between organizational size and client discomfort with AI. This supported previous research on Dynamic Capabilities, emphasizing that AI acceptance is shaped by experiential, cultural, and relational factors rather than by firm size or structure alone (Teece, 2018).

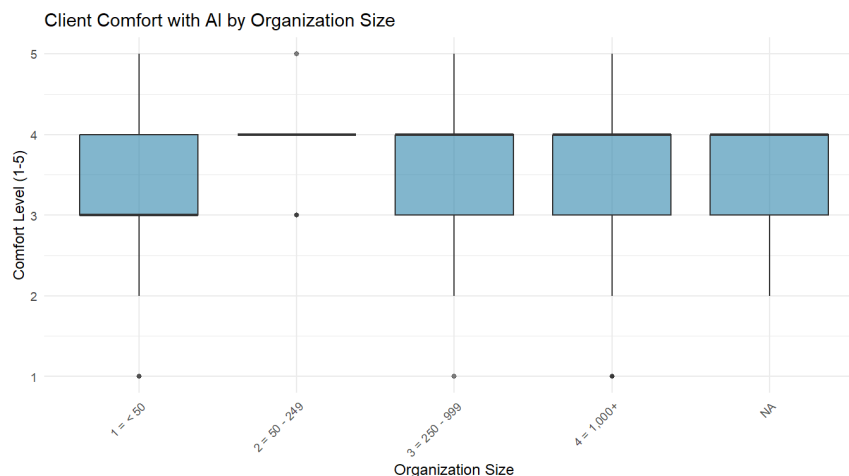


Figure 12: Client Discomfort with AI vs Organization Size

4.2.5 Trust in AI

Variations of AI exposure were tested against levels of trust in AI (Figure 12). We saw a positive but tentative correlation between AI exposure and perceived trust. Individuals who had no exposure to AI rated 50% distrust (not at all) while slightly experienced users of AI displayed

higher levels of trust. On the other hand, professionals with more extensive experience with AI had rather limited trust, with some of them being somewhat trusting and not totally confident, implying that familiarity with AI is the cause of moderate skepticism. This pattern reflected the concept of “calibrated trust” (Lee and Moray, 1994), where familiarity with AI leads to more critical evaluation rather than blind reliance (Raisch and Krakowski, 2021).

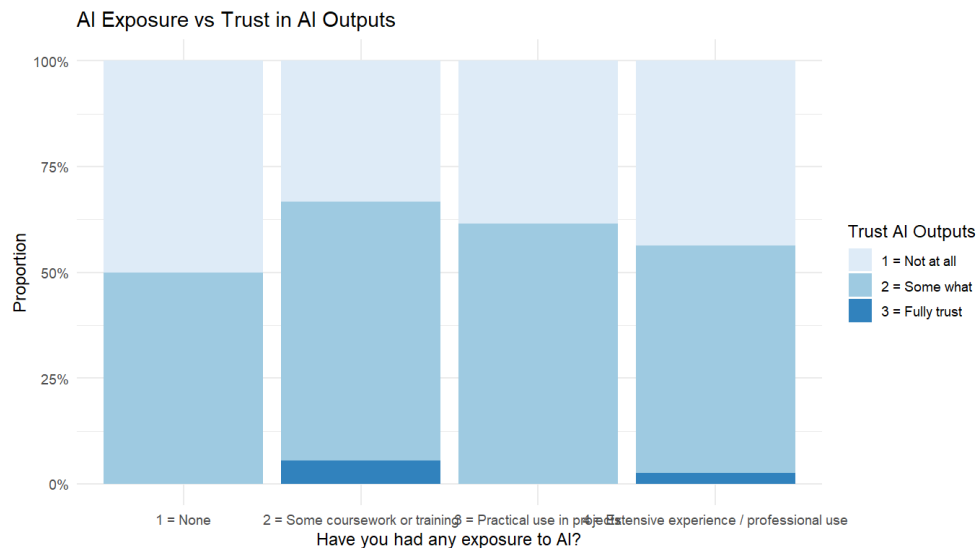


Figure 13: Exposure vs Trust of AI

Frequent experiences of AI hallucinations (Yes, often) reported the highest levels of risk concern with the median scores being 5 (very concerned) on the Likert scale, and strong upper-quartile distributions. The moderate-to-high concern was observed in respondents who occasionally had a hallucination and in those who were unable to tell whether they has experienced an AI hallucination or not (median 3.5-4). Interestingly, the least concerned group was those who had never experienced AI hallucinations (median 2), implying that direct exposure had a strong influence on risk perception. This distribution confirmed that personal experience with AI failures is an excellent source of influence on risk perception, which supported the risk of reliability and accuracy in professional consulting practices, where accuracy is the most important. Direct negative experiences with AI failures significantly influenced risk perception, reinforcing concerns in the literature regarding reliability and accuracy in AI-supported professional services (IBM, 2023; Gartner, 2024).

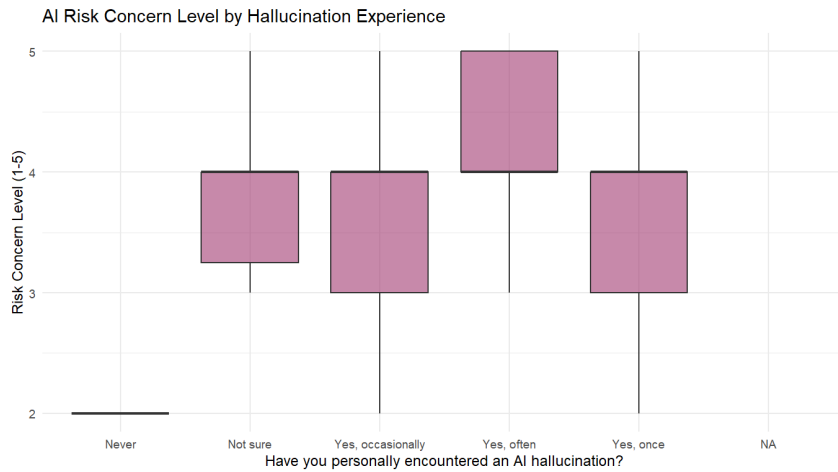


Figure 14: Risk Concern vs Hallucinations

4.2.6 Human Elements in AI Integration

Across AI role expectation groups, a strong majority of respondents rated human elements as very or extremely important (approximately 75-90%). High valuations were evident between the groups who considered that AI will mostly complement or share an equal mix with human elements in consulting practices. While the levels of importance varied across groups, the overall pattern showed that expectations about AI’s role did not diminish the value and need of human judgment, creativity, and interpersonal skills in consulting. This finding provided empirical support for the human-AI complementary perspective in the literature, that frames AI as an augmenting force rather than a substitute for expertise (Davenport and Mittal, 2022; Brynjolfsson and McAfee, 2017). From a Dynamic Capabilities point of view, it suggested that competitiveness in consulting is more dependent on a firm’s ability to integrate AI with their human capabilities rather than outright replacing them (Teece et al., 1997; Teece, 2018).

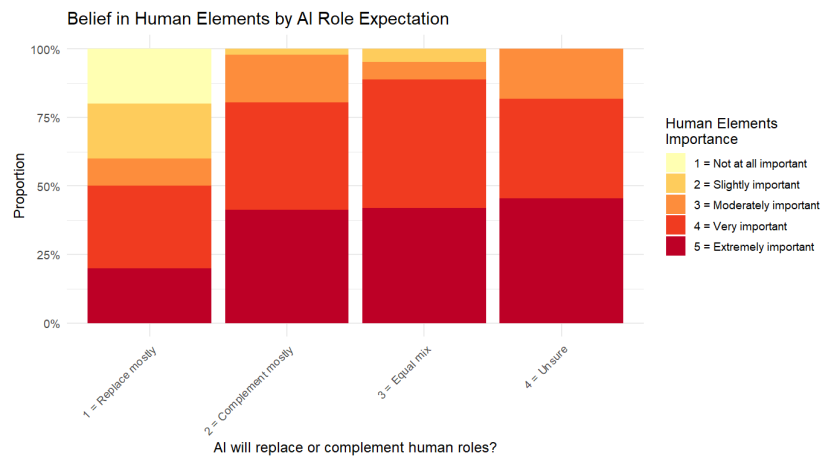


Figure 15: Human Elements

4.2.7 Determinants of Willingness to Engage with AI-Enhanced Consulting

Linear regression analyses were conducted based on the empirical results and insights from existing literature to identify key factors influencing respondents' willingness to engage with AI-enhanced consulting services. The regressions highlighted factors shaping acceptance and/or resistance towards AI integration. The results are presented and interpreted in this chapter, while their broader implications for acceptance, trust, and value are discussed in *Chapter 5.1*.

4.2.7.1 Demographics

The literature suggests that organizational factors may influence acceptance and comfort with novel technologies. Prior research indicates that factors such as firm size, industry type, and prior exposure to technology can shape comfort and adoption behaviors (Teece, 2018; Raisch and Krakowski, 2021). To further explore these findings, client comfort was measured and regressed against demographic and organizational predictors in the context of AI-augmented consulting.

Regression results indicated that overall comfort is moderately positive, with a baseline value of 2.464 on a five-point scale. Comfort was generally distributed around moderate-to-high levels as shown in *Figure 10*. The results showed that demographic and organizational variables had no meaningful significance, while two coefficients were close to statistical significance. Respondents in startups showed lower levels of comfort with AI in consulting services (-1.004, $p=0.080$). A similar trend was seen for those who identified as non-binary/third gender ($p=0.084$), while this showed some significance, this category only had one respondent in the survey. We found no significant effects of AI exposure, familiarity with consultants, organization, age, and gender. Overall, low variance in client comfort levels could be attributed to demographic and organizational factors.

Predictor	Estimate	Std. Error	t value	p value
(Intercept)	2.464	0.667	3.69	0.000
exposure_ai_num	0.239	0.151	1.58	0.118
familiar_consultingDefinitely yes	0.144	0.420	0.34	0.732
familiar_consultingSomewhat	-0.075	0.407	-0.18	0.855
Organization_size_num	0.120	0.080	1.51	0.134
Organization_type2 = Consulting firm (IT / Technology)	-0.016	0.494	-0.03	0.975
Organization_type3 = Corporate (non-consulting)	-0.181	0.265	-0.68	0.496
Organization_type4 = Startup	-1.004	0.568	-1.77	0.080
Organization_type5 = Academic / Research	-0.365	0.333	-1.09	0.276
Organization_type6 = Other	-0.159	0.307	-0.52	0.606
Age_group.L	0.189	0.203	0.93	0.352
Age_group.Q	0.187	0.219	0.86	0.394
Age_group.C	-0.195	0.234	-0.84	0.405
GenderMale	0.177	0.211	0.84	0.403
GenderNon-binary / third gender	-1.936	1.109	-1.74	0.084
GenderPrefer not to say	-0.220	1.166	-0.19	0.851
Residual standard error: 1.032 on 107 degrees of freedom				
(6 observations deleted due to missingness)				
Multiple R-squared: 0.1631, Adjusted R-squared: 0.04574				
F-statistic: 1.39 on 15 and 107 DF, p-value: 0.1654				

Table 2: Relationship between Demographics and Client Comfort

4.2.7.2 Perceived AI-Related Risks

In contrast to the client comfort regression model, this model identified several statistically significant variables, indicating clear drivers of concern. The baseline level of perceived risk was moderately to high (intercept=2.768). Experience of hallucinations was strongly important as the concern of people who had AI hallucinations was significantly higher (1.161, $p < 0.001$), whereas in people who did not encounter hallucinations, it was lower (-0.597, $p = 0.008$). The issue of privacy also showed to increase risk perception (0.297, $p = 0.004$). We saw no significant effects on AI exposure and prejudice-based trust. These results supported the literature (see Appendix I) that direct negative experience and privacy concerns are primarily influencing factors on AI risk perception, as opposed to general familiarity or abstract bias.

Predictor	Estimate	Std. Error	t value	p value	Sig
(Intercept)	2.768	0.398	6.96	0.000	***
encountered_hallucination.L	1.161	0.239	4.86	0.000	***
encountered_hallucination.Q	-0.597	0.222	-2.69	0.008	**
encountered_hallucination.C	0.699	0.222	3.14	0.002	**
encountered_hallucination^4	-0.078	0.199	-0.39	0.698	
exposure_ai_num	0.051	0.094	0.54	0.592	
privacy_concerns_num	0.297	0.102	2.91	0.004	**
bias_influence_trust.L	0.257	0.313	0.82	0.413	
bias_influence_trust.Q	0.236	0.185	1.27	0.205	
Residual standard error: 0.6897 on 117 degrees of freedom					
(3 observations deleted due to missingness)					
Multiple R-squared: 0.421, Adjusted R-squared: 0.3815					
F-statistic: 10.64 on 8 and 117 DF, p-value: 3.85e-11					

Table 3: Relationship between AI Risk and Familiarity

4.2.7.3 Perception of Human Elements

The regression in *Table 4* discusses perceptions of the relevance of human factors in human-AI collaboration. The baseline valuation was high (intercept=3.238), showing broad agreement with the literature (see Appendix I), that human judgment, creativity, and interpersonal skills remain important to consulting and are inimitable in accordance with resource-based theory. Two predictors were statistically significant. First, respondents who perceived AI as a replacement rather than complement place significantly greater importance on human elements (0.316, $p=0.004$). This finding suggested a paradox, where fears of substitution reinforce the perceived value of unique human capabilities.

We also saw that respondents employed in consulting or IT/Technology focused consulting attributed significantly lower importance to human elements (-0.870, $p=0.028$). This showed that greater familiarity with AI tools or more confidence in their abilities was more evident for those who work in the industry. Other variables such as AI exposure or occupation type did not show statistically significant effects. Overall, the findings indicated that attitudes toward human elements are shaped less by experience or demographics but more by perceived risk and organizational context.

Predictor	Estimate	Std. Error	t value	p value	sig
(Intercept)	3.238	0.595	5.44	0.000	***
ai_replace_or_complement_num	0.316	0.109	2.91	0.004	**
exposure_ai_num	0.146	0.117	1.24	0.216	
OccupationStudent	-0.056	0.407	-0.14	0.890	
OccupationUnemployed	0.287	0.780	0.37	0.714	
OccupationWorking professional	-0.151	0.384	-0.39	0.695	
Organization_type2 = Consulting firm (IT / Technology)	-0.870	0.391	-2.22	0.028	*
Organization_type3 = Corporate (non-consulting)	-0.269	0.204	-1.32	0.190	
Organization_type4 = Startup	-0.520	0.499	-1.04	0.299	
Organization_type5 = Academic / Research	-0.375	0.273	-1.37	0.172	
Organization_type6 = Other	-0.445	0.256	-1.74	0.085	
Residual standard error: 0.8892 on 116 degrees of freedom					
(2 observations deleted due to missingness)					
Multiple R-squared: 0.1302, Adjusted R-squared: 0.05526					
F-statistic: 1.737 on 10 and 116 DF, p-value: 0.08047					

Table 4: Perception of Human Elements and AI

5. Conclusion

The final chapter summarizes results, discusses limitations, and areas of future research. It revisits the research question, *how human-AI collaboration is shaping the ability of consulting firms to compete*, by combining the quantitative survey and qualitative expert interviews with existing literature.

5.1 Main Findings

Findings concluded in *Chapter 4* answer the research question of how human-AI collaboration is shaping the ability of consulting firms to compete. The results show that AI is not transforming consulting by replacing humans but reshaping how they compete with it. AI is seen primarily as a complementary force, not as a substitute for human expertise.

5.1.1 Acceptance of Human-AI Collaboration in Consulting

Overall, the responses from experts highlighted that AI is most valuable when automating repetitive tasks, accelerating data analysis, and supporting decision-making, while human traits such as judgment, creativity, and client engagement remain critical (Davenport and Mittal, 2022). The survey indicated broad acceptance of human-AI collaboration, including students, and early or experienced professionals. We found that AI is largely perceived as a complement rather than a replacement for human consultants, supporting the notion of augmentation emphasized in the literature (Brynjolfsson and McAfee, 2017; Wilson and Daugherty, 2018).

Positive attitudes toward AI were associated with prior experience and familiarity, aligning with the Technology Acceptance Model (Davis, 1989) and reinforcing that perceived usefulness and ease of use influence the willingness to adapt to the use of AI tools. Even so, some respondents reported concerns about trust, reliability, and ethical considerations, aligning with the literature on human-AI integration challenges (Wilson and Daugherty, 2018; Brynjolfsson and McAfee, 2017).

5.1.2 Barriers and Challenges to Effective Integration

Even though there is general acceptance to AI integration, we identified several barriers. Both survey and expert interviews revealed skills gaps, organizational readiness, and governance challenges as main hurdles. Firms who lack clear AI strategies or vital trainings face difficulties when it comes to implementing the technology into workflows effectively. Trust issues are also evident, especially in cases that require important and high-stakes client decisions, confirming previous findings that transparency and clarity are essential for successful adoption.

5.1.3 Human-AI Collaboration and Competitive Advantage

Consulting firms' competitive positioning is being enhanced through AI adoption by improving efficiency, insight generation, and responsiveness to client needs. Through expert interviews, we found that AI simply enhanced consultant capabilities but does not generate strategic value. Competitive differentiation arises when AI outputs are combined with human judgment, client relationship management, and domain expertise. Overall, our findings reveal that AI is reshaping how consulting firms compete in the market not whether they can compete. Firms that can successfully integrate AI into their delivery are more equipped to meet client expectations for speed, data-driven insights, and cost efficiency, while those that fail to do so risk competitive disadvantage.

5.2 Limitations

These interviews uncovered deeper insights into how AI is transforming consulting at the organizational and strategic levels, that allowed for deeper knowledge to be discovered internally into how firms are integrating and adapting to technology changes.

5.2.1 Expert Interview Limitations

The qualitative component is based on several semi-structured expert interviews. Although interviewees represented a wide range of consulting and advisory roles as well as substantial professional experience, the sample may be biased toward organizations with greater exposure to AI. Expert interviews also reflect subjective interpretations shaped by firm specific strategies and AI adoption. As AI adoption within firms is still in the early or experimental phases, interviewees were unable to give specific performance metrics or long-term evaluations of its impact. Three experts provided their insights via email, limiting follow-up questions or deeper insights to their responses. Of the remaining nine interviews, all were transcribed through Microsoft Teams using AI and evaluated for accurate transcription. Open-coding and thematic analysis was used to analyze the interviews, yet interpretation biases may not have been fully avoided.

5.2.2 Survey Limitations

The quantitative component of this research relies on self-reported survey data, which is inherently subject to response bias and perceptual inaccuracies. While 145 respondents began the study, only 129 completed it in full (n=129). Although this completion rate is acceptable, non-response bias could be applicable if those who did not finish differed systematically in their views on AI or

consulting. Additionally, the survey did not include a question to capture respondents' geographic location. Knowing that regions differ in differences of AI adoption, this omission can be seen as a constraint in the generalizability of the findings.

5.3 Future Research

Future research could build on this study in many ways. Longitudinal studies can examine how perceptions of trust, value, and Willingness-to-Pay change as AI becomes more integrated in engagements. Comparative studies across regions or firm types could reveal differences in cultural, regulatory, and organizational responses to the implementation of AI. Measurement is also an area that could benefit from further research, in particular how firms can quantify the impact of human-AI collaboration on client outcomes, learning, and performance.

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Appendices

Appendix I: Determinants of Engagement with AI-Enhanced Consulting

Although AI adoption in consulting is still in the early stages, it is accelerating, and acceptance of this technology in consulting practices is uneven across individuals and organizations (Brynjolfsson and McAfee, 2017; Davenport and Mittal, 2022). Prior research shows that engagement with AI is shaped by combinations of experiential factors, perceived risks, and beliefs about the role human expertise plays. These determinants are particularly important in consulting, where trust, judgment, and client relationships reinforce value creation (Løwendahl, 2005; Raisch and Krakowski, 2021).

Supporting the regression analyses in *Chapter 4.1.7*, the literature broadly categorizes determinants of AI engagement into three areas: (a) experience and familiarity with AI, (b) risk and trust perception, and (c) perceptions of human judgment and expertise.

Experience and Familiarity

Technology acceptance research supports the notion that prior exposure and perceived usefulness influence one's willingness to adopt new technologies (Davis, 1989). In consulting specifically, the use of AI tools is increasingly normalized for everyday tasks such as research, analysis, and documentation, which can reduce uncertainty and improve ease of use (Brynjolfsson and McAfee, 2017). However, more recent literature shows that increased experience does not necessarily lead to higher trust. Raisch and Krakowski (2021) mentioned that familiarity produces "calibrated trust," where users become more aware of the limitations of technology such as AI.

Risk Perceptions and Trust

One of the leading barriers to AI adoption is the perceived risk associated with it. Concerns related to reliability, transparency, data privacy, and accountability are repeatedly mentioned (Faraj et al., 2018; Deloitte). Consulting firms are known for operating in trust-based environments, where errors in deliverables can damage reputational capital and client confidence in the firm's ability to deliver. Research on algorithm aversion shows that exposure to AI errors reduces trust, even more so when the systems performance is overall seen as strong (Dietvorst et al., 2015). Privacy concerns are highly associated with perceived risk, particularly when using AI for sensitive client data (Raisch and Krakowski, 2021).

Overall, the literature supports the idea that risk perceptions are driven primarily by negative experiences and governance worries than by purely attitudes toward AI.

Human Judgment and Augmentation

Through the literature and experiments, we saw a central consensus that AI functions best as an augmenting tool rather than a full substitute for consultants. While it enhances multiple factors, the traits of humans remain essential for proper delivery (Wilson and Daugherty, 2018; Davenport and Mittal, 2022). Regarding the resource-based view, the human capabilities are valuable and inimitable resources that reinforce sustained competitive advantage (Barney, 1991). Dynamic Capabilities theory further emphasizes that firms achieve advantage from integrating AI with human expertise as opposed to full replacement (Barreto, 2010; Teece et al., 1997; Teece, 2018). Interestingly, fears of automation paradoxically increase the importance of human elements. The automation-augmentation paradox says that concerns about AI substitution reinforce the value attributed to unique human skills (Raisch and Krakowski, 2021).

Appendix II: Outline of Survey Questions

#	Question	Question Type	Answer Options
1	What is your age?	Multiple Choice	18-23; 24-30; 31-36; 37+
2	What is your gender?	Multiple Choice	Male; Female; Non-binary/third gender; Prefer not to say
3	What is your current occupation?	Multiple Choice	Student; Working Professional; Unemployed; Other (please specify)
4	If applicable, please specify the type of organization you work in.	Multiple Choice	Consulting firm (management/strategy); Consulting firm (IT/Tech); Corporate (non-consulting); Startup; Academic/Research; Other
5	What is the organizations size?	Multiple Choice	<50; 50-249; 250-999; 1000+
6	Have you had any exposure to AI?	Multiple Choice	None; Some coursework or training; Practical use in projects; Extensive experience/professional use
7	Are you familiar with consulting?	Multiple Choice	Definitely not; Somewhat; Definitely yes
8	Which consulting task do you think AI is most effective at?	Multiple Choice	Data analysis/Research; Report generation/Documentation; Financial modeling/Benchmarking; Client presentations/Communication; Strategy Development/Problem Solving
9	How important do you think collaboration between humans and AI is for competitive advantage in consulting?	Multiple Choice	Not at all important; Slightly important; Moderately important; Very important; Extremely important
10	What do you think the main value of a consultant is?	Multiple Choice	Expert knowledge and specialized industry insights; Structured problem-solving and analytical skills; Improving operational efficiency and processes; Providing technical or advanced analytical capabilities; Facilitating organizational change and transformation
11	Do you believe AI will replace or complement human roles in consulting over the next 5 years?	Multiple Choice	Replace mostly; Complement mostly; Equal mix; Unsure
12	What benefits do you perceive from AI-human collaboration in consulting?	Multiple Choice (Select all that apply)	Increased productivity; Faster decision-making; Higher accuracy/reduced errors; Cost savings; More innovative solutions
13	How important do you believe human elements, such as judgment, creativity,	Multiple Choice	Not at all important; Slightly important; Moderately important; Very important; Extremely important

	and interpersonal skills, will remain in consulting despite advances in AI?		
14	How important is human involvement for maintaining client trust in AI-augmented consulting?	Multiple Choice	Not at all important; Slightly important; Moderately important; Very important; Extremely important
15	To what extent do you trust AI-generated outputs without human review?	Multiple Choice	Not at all; Somewhat; Fully trust
16	To what extent do you believe AI will influence how consulting firms differentiate themselves from competitors?	Multiple Choice	No influence; Somewhat influence; Moderately influence; Major influence
17	Which sources of competitive advantage do you expect to be most strengthened by AI?	Multiple Choice (Select up to two)	Speed and efficiency of delivery; Quality and depth of insights; Customization or personalization for clients; Cost leadership; Knowledge management and internal capabilities; None of the above
18	Do you worry about privacy risks, either personal privacy or confidential company information being exposed through AI tools?	Multiple Choice	Not at all; Somewhat; Fully worry
19	To what extent do issues of bias in AI systems influence trust in AI-assisted consulting recommendations?	Multiple Choice	Not at all influence; Somewhat influence; Fully influence
20	How concerned are you about AI-related risks such as inaccuracies, hallucinations, or unreliable outputs?	5-point Likert scale	Not at all concerned (1) – Very concerned (5)
21	Have you personally encountered an AI hallucination (where AI generates incorrect, fabricated, or misleading information)?	Multiple Choice	Never; Yes, once; Yes, occasionally; Yes, often; Not sure
22	If an AI tool used in a consulting engagement produced occasional hallucinations (but saved significant	Multiple Choice	Yes, completely acceptable; Acceptable only with human review; Acceptable only for low-risk tasks; Never acceptable

	time), would you consider this acceptable?		
23	What risks of challenges do you perceive from AI-human collaboration	Multiple Choice (select all that apply)	Job displacement; Overreliance on AI/loss of expertise; Ethical/privacy concerns; Reduced client trust; Misalignment with strategy
24	If you were a client, would you want to be informed when a consulting firm uses AI tools in its analysis or recommendations?	Multiple Choice	Yes, always; Only when used for major parts of the project; Only when AI replaces human judgment; No, not necessary
25	If you were the client, how comfortable would you be with consulting firms using AI to support their work?	5-point Likert scale	Extremely uncomfortable (1)- Very comfortable (5)
26	How would the use of AI in consulting affect your Willingness-to-Pay for services?	Multiple Choice	I would be willing to pay more; My Willingness-to-Pay would not change; I would be willing to pay less; Not sure
27	If a consulting firm used AI to automate 30-50% of project tasks, what fee structure would you prefer?	Multiple Choice	Lower fixed fee; Performance-based pricing; Same price as before; Hybrid pricing (human-AI split); Not sure

Table 5: Outline of survey questions

Appendix III: Interview Guide

1. From your perspective, how has artificial intelligence changed the nature of consulting work in the recent years?
2. What areas of consulting (e.g. strategy, operations, risk, or digital transformation) have been most affected by AI adoption?
3. Do you believe AI is primarily an efficiency tool, or does it also enable new forms of value creation for clients?
4. How are consultants currently collaborating with AI systems in their daily workflows?
5. In your experience, what tasks are best handled by AI, and which still require distinctly human judgment or creativity?
6. How has AI adoption influenced your firm's strategy or market positioning?
7. Do you believe firms with stronger AI-human collaboration models have a measurable performance edge over others?
8. What challenges have emerged in integrating AI into consulting practices (technological, ethical, or organizational)?
9. Do you anticipate that consulting firms will differentiate themselves more through their AI tools or through their people in the next 5–10 years?
10. How does your firm measure the success or impact of AI initiatives internally?
11. From your perspective, what are the main drivers pushing consulting firms to adopt AI today?
12. What do you believe are the most significant barriers preventing consulting firms from fully leveraging AI?
13. Consulting has traditionally been a relationship-driven industry; how do you think AI affects the "human experience" that clients value?
14. If most consulting firms adopt AI, do you believe AI can still be a source of competitive advantage? Why or why not?
15. Do you foresee risks such as skill erosion or loss of experiential learning due to automation?
16. What long-term impacts do you expect AI to have on the structure of consulting firms?

Appendix IV: Summarized Answers of Expert Interviews

The summaries of each expert interview are shown in the following pages, and the profiles of the interviewees can be found in *Table 1*. Some experts are referred to anonymously per their request. The questions addressed also vary based on the expert’s knowledge and experience with what is asked.

Code: INT1	Date: 11.12.2025	Duration: 40 minutes	Type: Teams Meeting
Q1: Artificial intelligence has revolutionized consulting by driving immediate cost reductions, especially in R&D, and is increasingly influencing how engagement teams operate at PwC.			
Q2: AI has affected all consulting domains equally, but cybersecurity has been the most critical area due to new risks and the need for robust protective measures. There are risks associated with AI models that are trained on public internet data, such as exposure to third-party attacks which shows the importance of enterprise-grade solutions to mitigate these risks. The integration of quantum computing as well could compromise encryption keys, that pose a significant challenge to cybersecurity in consulting. AI’s impact is widespread, affecting strategy, operations, risk, and digital transformation with all these areas experiencing rapid changes due to the technology’s novelty.			
Q3: I think AI is not only an effective tool but also enables new forms of value creation by democratizing access to learning and enhancing human cognitive capabilities.			
Q4: Consultants at PwC use tools like Alteryx and ChatPwC for automation, data extraction, and seamless integration with internal platforms. I frequently build Alteryx workflows that use AI for Python coding and OCR to extract data from tax notices, significantly improving process efficiency. There has also been development of agentic relationships, where AI systems interact via API calls for seamless integration with platforms like Salesforce, enhancing data access for partners and directors.			
Q5: While AI can handle a wide range of tasks, human creativity, oversight, and enrichment remain essential, especially in areas like coding and analytical problem solving.			
Q6: While PwC is committed to maintaining its market share and competitive advantage through AI, the industry is in a race where all major firms are developing solutions simultaneously. I would describe it as a “Wild, Wild, West,” with all major firms trying to become the top AI provider and attract clients with innovative solutions.			
Q7: Yes, I believe they have a performance edge over others, but I can’t say that it is measurable just yet, at least not at PwC. We don’t have a way to see metrics associated with the use of AI internally.			
Q8: I would say the main challenges of fully integrating AI into consulting would be organizational fear, lack of infrastructure, and technological limitations. Human apprehension about job displacement and the unknowns of AI are a real fear employees have. Regarding lack			

<p>of infrastructure, there is inadequacy of current power and energy grids to support widespread AI adoption, with a need for substantial investment and global cooperation. This also leads to the environmental impact, building large data centers to support AI has major environmental repercussions, adding complexity to the process.</p>
<p>Q11: Definitely cost reduction. Clients demand cheaper solutions and innovation, making cost reduction the central motivation for consulting firms to adopt AI.</p>
<p>Q12: Lack of confidence in AI models and the need for human oversight. AI models can hallucinate, necessitating ongoing human review and limiting the speed and efficiency gains from automation.</p>
<p>Q13: PwC will always remain client-facing despite AI adoption, but agentic relationships and automation may change how routine tasks and data exchanges are handled. I can see future AI systems handling the routine communications and data exchanges between organizations. Possibly reducing the need for manual intervention by associates or interns.</p>
<p>Q14: The way I see it, AI will always be a source of competitive advantage for firms like PwC, especially due to premium integrations and proprietary environments, despite widespread adoption.</p>
<p>Q15: While some basic skills may be automated and replaced by higher standards, AI should generally enhance not erode essential consulting skills.</p>
<p>Q16: The consulting industry is currently entering the “AI age” or “Quantum age,” with rapid technological advancements likely to reshape firm structures and accelerate change.</p>

Table 6: Summarized Responses of INT1

Code: INT2	Date: 11.19.2025	Duration: 23 minutes	Type: Teams Meeting
Q1: AI serves as a tool to amplify staff abilities, enabling consultants to improve, collaborate, and brainstorm more effectively. It also acts as a learning tool that supports ongoing professional development.			
Q2: I think AI affects all consulting domains, including strategy, operations, risk, and digital transformation, by integrating process improvements and automation, even in areas like manufacturing where AI and automation may not be immediately obvious.			
Q3: While AI initially drives efficiency, it also enables new forms of value creation such as ideation, accelerated learning, and enhanced brainstorming, provided that human critical thinking remains layered over AI outputs.			
Q4: At PwC, particularly in tax, consultants use AI-driven features, such as those in the K1 process and enterprise programs, without being aware that these functions are powered by AI or LLMs. I would also say that AI can be compared to an intern or associate who prepares first drafts, allowing staff to focus on higher-level work if they choose to leverage these tools, thus elevating their roles within the organization.			
Q5: I would say that consultants can initiate more tasks with AI, but must be cautious of hallucinations or errors and should treat AI as a collaborator that may not always communicate perfectly. For tasks specific to tax, we recommend instructing AI to use source material verbatim and to not summarize or alter the content, ensuring compliance and accuracy in technical work.			
Q6: PwC leadership is prioritizing the integration of AI into all areas, prompting a reevaluation of skills needed for future roles and planning for workforce adaptation.			
Q7: Our internal adoption and enablement data, as well as external studies, indicate that performance improvements are linked to collaborative, group-wide AI adoption rather than isolated human-AI pairings. Groups that collectively engage with AI and apply human critical thinking are more successful, as they are better equipped to identify bias and correct errors in AI outputs.			
Q8: I think all 3 present their own challenges. Ensuring equal access to AI, managing costs, and complying with regulations especially if you're handling sequestered or sensitive data, which may require firms to develop proprietary solutions. We also have the risk of overwhelming and inaccurate information returned by AI, and the need for careful curation and validation of AI-generated outputs. Also, successful AI integration requires gradual, tailored adoption strategies that align with each firm's unique workflows and requirements.			
Q9: Through the combination of AI tools and people.			
Q10: While PwC doesn't have a direct way to measure success or even impact of the use of AI, we have seen, in tax specifically, that the time it takes to complete a deliverable or return has gone down. I think this is a small view into how it's affecting workflows but a way to measure it has not yet been established.			
Q11: They're going to get left behind if they don't. The speed at which it works will and already has reduced the amount of time to research something or the amount of time to help somebody learn something.			
Q12: I would say the barrier is how you use it and whether you're using it properly.			
Q13: If they're using it right, it gives them more time to be face to face with their clients, so it should improve the relationships since they can step out of the computer and into the office.			

Q14: Definitely, each firm is going to use it differently. So if they use it differently and if they use their human skills differently, each human is going to be what layers onto competitiveness.

Q15: Skill erosion, maybe. If you're in a world that depends on tax technical knowledge for example, you have to have that solid foundation first before you can use these tools because you have to be able to see if this tool is wrong. In classes I've taught, I tell the learners to use it for everything, but you have to read through it because your name is going on that paper, that deliverable. This is where experiential learning comes in, because you can use it now to learn and fit your learning style.

Q16: That probably is yet to be determined. It really depends on how they react and if they use the carrot or the stick. I can see the structure possibly changing where they may not need a set of interns, they may need new campus hires that understand the technology.

Table 7: Summarized Responses of INT2

Code: Luis Sarmiento	Date: 11.20.2025	Duration: 28 minutes	Type: In person Meeting
Q1: So, I think everything digital and automation, it's just made it easier to digest large volumes of data. AI is no longer limited to firms with significant resources; it is now embedded in everyday tools and accessible to a broader range of users, from banking apps to home devices.			
Q2: I think it's all been impacted tremendously, obviously with digital transformation being the biggest as AI enables real-time insights and has become integral to all aspects of consulting work.			
Q3: AI is not just an efficiency tool but also enables new forms of value creation by allowing consultants to focus on higher-level analysis and creative problem-solving.			
Q4: There's a shift from manual data processing to automated workflows, where apps connect and transfer data without human intervention, reducing the risk of errors and freeing up time for more valuable work.			
Q5: AI handles repetitive and data-intensive tasks, human judgment and creativity remain essential for interpreting results, making decisions, and providing client insights.			
Q6: AI adoption has led to minimal differentiation between consulting firms in terms of technology, making culture, client relationships, and human elements the primary sources of competitive advantage. I've observed that since most firms use similar AI tools, the distinction in the market comes from how firms foster a culture of adoption and leverage human relationships with clients.			
Q7: Technology cannot replace the value of strong client relationships, which remain central to a firm's success and reputation. So, I believe strong and confident human-AI interaction can indeed give a firm a performance edge.			
Q8: One of the challenges is the importance of being cautious with AI deployment in regulated industries to avoid exposing firms or clients to risk and ensuring compliance with ethical standards. There's also the need to manage resistance among staff, with some being slow to adopt new technologies while others are eager to integrate AI into all aspects of work. Platform integration also requires significant investments to implement AI on firm platforms and there are challenges with ensuring compatibility and effectiveness.			
Q9: I think the collaboration of AI tools and people will be a major differentiator. When you have people who are confident in using the tools, the way we deliver value to our clients can be greater than it is now.			
Q10: There's currently an absence of robust benchmarks for measuring AI's direct impact, noting that improvements are often inferred from reduced operational 'noise' and smoother deadline management.			
Q11: Challenges in accessing and managing human resources, along with the need to do more with less, are pushing firms to adopt AI solutions.			
Q12: Barriers include the novelty of AI, the investment required for integration, resistance to change among staff, and the need to comply with regulatory and ethical standards.			
Q13: I think consulting will remain a relationship-driven industry, with AI augmenting but not replacing the need for personal client interactions and trust. There will be greater investment in building and maintaining client relationships, especially as AI automates more technical tasks. Clients value the assurance of human involvement and expertise, which remains a key differentiator even as AI becomes ubiquitous.			

Q14: I believe so, I think if everyone is adopting AI into their work practices, the differentiator will be how well they use it and how well it helps them perform.
Q15: Automation could lead to skill erosion and reduced experiential learning, but the hope is that professionals will shift focus to higher-value activities as basic tasks are automated. I would compare the loss of basic skills, such as making change without a calculator, to the potential loss of foundational accounting skills as AI automates the routine processes. As automation reduces the need for repetitive tasks, professionals can focus on mastering more complex and valuable aspects for their roles.
Q16: Long-term, there's potential for AI to make it easier for professionals to cross into new consulting areas and handle more complex tasks, though the full impact on firm structure remains uncertain.

Table 8: Summarized Responses of Luis Sarmiento

Code: INT3	Date: 11.24.2025	Duration: 24 minutes	Type: Teams Meeting
Q1: I would describe AI as a transformative force in consulting, enabling rapid expansion of knowledge and facilitating personalized learning. AI tools, such as ChatGPT, help consultants grasp new topics and generate practical examples tailored to individual learning styles. This shift allows consultants to bridge gaps in expertise and adapt quickly to new domains, moving beyond traditional classroom environments.			
Q2: Among consulting disciplines, risk management stands out as the most significantly impacted by AI. AI changes the traditional requirement of manual experience for expertise, introducing new risks related to data integrity and advice accuracy. The necessity for human fact-checking and safeguards is paramount, especially when client-sensitive information is involved.			
Q3: AI is both an efficiency tool and a catalyst for new forms of value creation. AI automates repetitive and entry-level tasks, such as data extraction and administrative paperwork, freeing up consultants to focus on higher-value activities. This not only accelerates workflows but also allows professionals to apply their skills more meaningfully.			
Q4: Consultants collaborate with AI at varying levels of expertise. Common uses include organizing data, presenting findings, conducting market research, and performing in-depth analysis. The integration of AI into daily workflows depends on individual proficiency, with high-level users leveraging AI across all consulting functions. However, standardized hiring for AI skills remains in its early stages.			
Q5: AI excels at automating routine tasks, managing priorities, and enhancing presentations. Nonetheless, human judgment is irreplaceable in relationship-building, networking, and nuanced decision-making. It's so important to maintain the human element in client interactions, as relationships are central to business development and client retention.			
Q6: PwC's strategic adoption of AI has diversified its talent pool, now hiring engineers, DevOps specialists, and other technology roles in addition to accountants. This shift positions PwC as a leader in AI-enabled consulting, mirroring trends seen in other major firms like Amazon. The firm encourages staff at all levels to embrace AI, fostering innovation and agility.			
Q7: While AI-human collaboration is considered a strategic advantage, it is difficult to quantify its impact at this early stage. Firms that effectively partner with AI are likely to outperform, but measurable results and data-driven metrics are still developing.			
Q8: Key challenges include data security, especially with offshore teams, and ensuring compliance with regulations that require U.S. data to remain on U.S. soil. Technological adaptation is staged, allowing gradual learning and integration of tools like Microsoft Copilot. Ethical and organizational barriers also arise from legacy mindsets resistant to change.			
Q9: In my opinion, consulting will always be driven by human connection. While the tool of AI gives them an edge, the human experience is what truly matters.			
Q10: At PwC we don't yet have a system to measure direct impact or success of AI but it is encouraged to use as much as possible and we have seen positive effects. While PwC tracks AI adoption through tools like a prompt library, there is no established method for quantifying the business impact or revenue gains from AI at this early stage.			
Q11: Revenue generation, speed of delivery, and client demand for rapid market analysis are major drivers pushing firms to adopt AI.			
Q12: Significant barriers include resistance from legacy staff who fear replacement or believe manual methods are superior.			

Q13: Consulting remains a relationship-driven industry. I would warn against losing the human touch, as client referrals and business growth depend on strong personal connections. AI should augment rather than replace these interactions.
Q14: AI can be a source of competitive advantage, but only through effective human leverage and integration.
Q15: I believe that while automation may reduce the need for repetitive manual tasks, experiential learning and hands-on expertise will continue to be valued and required.
Q16: The most profound long-term impact expected is increased speed and efficiency in project delivery. AI will enable consultants to quickly assess scope, adjust contracts, and respond to ad hoc needs, fundamentally changing the pace and nature of consulting work.

Table 9: Summarized Responses of INT3

Code: Vasco Rato	Date: 11.24.2025	Duration: 50 Minutes	Type: Teams Meeting
Q1: There has been an increase in integration of AI into our workflows. I've noticed a shift from traditional operations and strategy to technology-driven projects and the use of AI for both efficiency and strategic support. At Deloitte, consultants now frequently act as bridges between business and technology, defining requirements, writing user stories, and supporting implementation as PMOs rather than delivering only high-level recommendations.			
Q2: The most affected areas include digital transformation, operations, and technology consulting. Vasco emphasized that Deloitte has shifted significantly away from traditional operations and strategy toward AI, data, and engineering-led projects. AI has become central to operational optimization and cost-reduction initiatives, especially in the post-COVID market environment. While strategy remains relevant, it is increasingly intertwined with technology feasibility and AI implementation.			
Q3: AI currently functions primarily as an efficiency tool, but with strong future potential for value creation. Vasco highlighted clear efficiency gains in tasks such as document processing, summarization, and reporting.			
Q4: Personally, I use AI for drafting and refining emails, summarizing long documents, and automating repetitive documentation tasks. At Deloitte, we use internal AI platforms such as Copilot.			
Q5: AI performs best in routine, standardized, and text-heavy tasks, such as summarization and document preparation. Judgment, accountability, creativity, and contextual decision-making continue to require human expertise.			
Q6: AI adoption has become a core strategic pillar. At Deloitte, we have established a dedicated engineering, AI, and data practice, which now represents a substantial share of our service offerings.			
Q7: I think that people quality remains the dominant competitive advantage, but this could change in the near future. Firms that successfully integrate AI into workflows while maintaining strong human judgment are likely to gain a significant performance advantage.			
Q8: I think the biggest challenges are confidentiality and data security, given the sensitivity of the client information we hold. Quality control is also a challenge, including risks of hallucinated and fabricated outputs, like many have seen in the Deloitte Australia case, this shows just how vital human review is.			
Q9: In short term, differentiation remains people driven. But I predict that human-AI collaboration models will become increasingly important.			
Q10: We currently lack formal measurement frameworks for AI impact. While the firm encourages reporting AI usage and sharing best practices internally, standardized KPIs or evaluation mechanisms aren't in place yet.			
Q11: Market demand and cost pressures. Clients increasingly expect efficiency gains and cost reductions, forcing consulting firms to adopt the same AI-driven optimizations they recommend to clients.			
Q12: Key barriers include confidentiality and regulatory constraints, limited trust in AI for core-decision making, the challenge of proving that consulting firms' AI capabilities actually add value beyond what clients can develop internally.			
Q13: Trust, client interaction, and relationship management, especially at senior levels, are unlikely to be replaced by AI. While AI enhances delivery, the human experience is central to sales, stakeholder management, and long-term relationships.			

Q14: At a global level, I expect there to be industry wide parity as major firms adopt similar tools. But thinking locally, I think it can have some advantages.
Q15: Yes, junior consultants will lose exposure to foundational skills due to automation. I would compare this to the rise of the internet, while some skills decline, new competencies emerge.
Q16: I think there will be a reduction in junior-level work and shift in roles toward strategic thinking and problem-solving.

Table 10: Summarized Responses of Vasco Rato

Code: INT4	Date: 12.09.2025	Duration: 51 Minutes	Type: Teams Meeting
<p>Q1: Despite extensive discourse around AI, the day-to-day nature of consulting work has not fundamentally changed yet. While AI features prominently in commercial pitches and strategic narratives, its practical impact on daily consulting activities are limited. At Deloitte, the primary use of AI is to accelerate research and support technology teams, rather than to reshape core consulting delivery.</p>			
<p>Q2: In my opinion, AI adoption is most visible in operations and digital transformation, particularly in automated-focused engagements. Deloitte is actively deploying Ai and generative AI within operational “bionics” transformations, especially in the energy sector. In contract, strategy, M&A, and risk consulting are still unaffected due to the unstructured nature of data, client-specific contexts, and complexity of the judgment that is required.</p>			
<p>Q3: In the short term, I would label AI as primarily an efficiency tool. While it reduces effort, automates tasks, and lowers dependency on large tech teams, its capacity to generate new value is uncertain. Increasing client sophistication and access to identical AI tools significantly limits consultants’ ability to create differentiated value. I see AI being more of a cost-reduction mechanism than a value-expansion driver.</p>			
<p>Q4: The main uses I’ve seen are accelerating research, summarization and translation, and drafting communications.</p>			
<p>Q5: AI is best suited for technical, repetitive, and standardized tasks but tasks like storytelling, nuanced analysis, stakeholder management, and political interpretation are human domains. I think AI struggles with contextual understanding, implicit objectives, and organizational dynamics.</p>			
<p>Q6: From a branding perspective, Deloitte positions itself as an AI leader, but I would say there is a substantial gap between external positioning and internal reality.</p>			
<p>Q7: I believe they do, through efficiency and speed. AI orchestration tools are emerging as critical competence. Younger consultants already demonstrate superior proficiency in this area, showing that future performance advantages will depend on AI fluency rather than AI development itself.</p>			
<p>Q8: I predict a temporal differentiation where in the next 5 years it will remain people-driven, and in 10 years these technologies will become key differentiators.</p>			
<p>Q9: I think the most significant challenges are organizational, not technical. We’ve seen strong audit and risk-management DNA which is slowing adoption, slow decision-making and investment logic, and dependence on proven market demand before committing resources.</p>			
<p>Q10: At Deloitte we do not yet have measurement frameworks in place. They are mainly evaluated through individual business cases rather than standardized metrics.</p>			
<p>Q11: AI adoption is primarily externally driven. Client expectations, market trends, and competitive pressure force consulting firms to adopt AI, where firms react to demand rather than proactively innovate.</p>			
<p>Q12: The main barriers in my opinion include audit-related risk aversion, fear of brand damage, and conservative governance structures. People and technology are not the main constraints, its organizational risk culture.</p>			

<p>Q13: In the short to medium term, I would not expect AI to meaningfully affect the human experience in consulting. Trust, interaction, and relational value remain central. Any disruption to the human dimension is likely to come from external market developments, not from consulting firms themselves.</p>
<p>Q14: AI is unlikely to be a sustainable competitive advantage. As firms use similar tools, it's more of a hygiene factor rather than a differentiator.</p>
<p>Q15: Yes, specifically in over-dependence on AI, especially among junior consultants. While AI orchestration is an important skill, excessive reliance may weaken independent judgment and experiential learning.</p>
<p>Q16: I predict a structural shift in the consulting pyramid, fewer junior roles and more senior, experience heavy teams. This creates a paradox though, clients demand lower fees enabled by AI, while firms require more expensive senior talent. In essence, talent development pipelines may weaken, making long-term sustainability a challenge.</p>

Table 11: Summarized Responses of INT4

Code: Marcel Lange	Date: 11.21.2025	Duration: N/A	Type: E-Mail
<p>Q1: From my perspective, AI tools and applications have gradually become an integral part of consulting work. Standard solutions like ChatGPT or Copilot are now supporting individual steps in the consulting process, for example research, structuring content, or drafting analyses and presentations. However, truly end-to-end AI systems that cover the entire consulting process have not yet been widely established. I am convinced that this will significantly change over the next three to five years, and that we will then see much more integrated, process-spanning AI support in consulting.</p>			
<p>Q2: All areas of consulting are being affected by AI, and I would not single out one specific domain as the most impacted. The reason is that AI is currently mainly taking over individual process steps and more repetitive, standardized tasks, such as drafting texts, pre-structuring analyses, or supporting research. These kinds of activities exist in every consulting discipline. So, at this stage, AI is influencing consulting more horizontally across all areas rather than fundamentally transforming just one specific segment.</p>			
<p>Q3: At the moment, I see AI tools as primarily efficiency enablers. They make the work of consultants easier, especially in internal process steps that the client often does not even notice directly. Tasks like research, content preparation, or drafting documents can be carried out much faster and with less manual effort. Looking ahead however, I believe AI can also contribute new forms of value creation. If companies manage to systematically use their internal historical data and experiences, which today often sit mostly in the heads of individual employees, this knowledge can flow much more strongly into the consulting work. That can improve the quality of recommendations and have a direct positive impact on outcomes for clients. In addition, I can imagine that certain consulting services could become more affordable in the future if efficiency gains from AI are at least partly passed on to clients in terms of pricing.</p>			
<p>Q4: Right now, AI tools are mainly used as support within existing processes. Standardized and repetitive tasks are increasingly handled by AI, allowing consultants to focus more on interpretation, decision-making, and client interaction. At the same time, many firms are still in an experimentation phase, trying out different tools and use cases to see where AI best fits into daily work.</p>			
<p>Q5: In my experience, AI is particularly well suited for monotonous standardized tasks including drafting and rephrasing text, documenting and summarizing conversations, conducting research, or pre-structuring information. AI tools today can also already perform more advanced tasks. They can run analyses, process information, and present it in a structured output. However, this is still error-prone and requires human review and refinement. Human judgment remains essential when it comes to interpreting results, making complex assessments, taking strategic decisions, dealing with ambiguity, and developing creative solutions. The same applied to client interaction, stakeholder management, and reading between the lines.</p>			
<p>Q6: So far, AI has had little direct impact on our external market positioning. We primarily use it internally, and it has clearly increased our efficiency. I would currently estimate the effect at around 20-25%. However, since this use is mostly internal and not yet heavily reflected in our external offerings, the market does not really see it.</p>			
<p>Q7: Yes, I strongly believe firms with strong human-AI collaboration will have a measurable performance advantage. AI can have an enormous impact on efficiency. Processes become faster, repetitive tasks are automated, and teams can focus more on higher-value activities.</p>			

<p>Companies that fully leverage this potential will, in my view, be significantly more competitive over time than those that ignore AI or only adopt it very slowly.</p>
<p>Q8: I see a range of challenges. One important aspect is mindset. Consultants have long regarded certain tasks as inherently human. Realizing that a tool can now perform some of these tasks with equal or even better quality can be uncomfortable and requires a change in self-perception. Organizationally, firms also need to reconfigure themselves. More IT and AI expertise is required, while the demand for some traditional roles may decline. This shifts team compositions, role profiles, and even career paths. On the technological side, firms face a strategic question, do they want to integrate AI only selectively through external tools, or do they want to move more in the direction of a software company and represent their consulting process as fully and consistently as possible in digital and technological form?</p>
<p>Q9: I am convinced that, within the next three to five years rather than ten, consulting firms will differentiate themselves strongly based on how effectively they use AI and how well their people can work with it. The market is extremely dynamic. New tools appear almost daily, and existing solutions evolve very rapidly.</p>
<p>Q10: At the moment, we do not yet have a structured, systematic way of measuring the impact of AI initiatives. AI is still a relatively new topic for us that is gradually becoming more embedded in our daily work. Our current focus is more on trying out different tools, understanding their capabilities, and building experience.</p>
<p>Q11: From my perspective, there are three main drivers. First, efficiency. AI allows tasks to be carried out faster, resources to be used more effectively, and more output to be generated with the same capacity. Second, the realization that AI is no longer just a hype but has become an established, long-term topic. Many firms do not want risk falling behind competitors or their own clients, who are increasingly using AI themselves. Lastly, AI can take over repetitive, unattractive tasks that employees often do not enjoy doing. Automating these activities makes consulting roles more interesting and allows people to focus more on analytical, strategic, and client-facing work.</p>
<p>Q12: I see two major barriers. The first is mindset. It is challenging from a human perspective to accept that a machine can perform tasks that were long regarded as clearly human and do so faster. This can trigger fears, resistance, and slow down adoption, even when the technology is available. The second is data protection and security. Firms need to know where the data is processed, where its stored, and how it is protected. Uncertainty in this area is a key reason why many consulting firms are still cautious and do not yet exploit the full potential of AI.</p>
<p>Q13: In my view, consulting is fundamentally relationship and people driven, and that will remain the case for at least the next five to ten years, as long as we are advising people in companies rather than machines. Personal communication is central in consulting. Building trust, understanding needs, dealing with resistance, and guiding stakeholders are all deeply human and psychological aspects. I therefore believe that the work with the client, from acquisition through to project delivery and ongoing support, will continue to rely heavily on human interaction.</p>
<p>Q14: I think this needs to be differentiated. If consulting firms all use the same standard AI tools and most of the learning and data aggregation happens mainly within those external tools rather than within the firm itself, then AI alone will probably not create a sustainable competitive advantage. In such a setting, capabilities tend to converge.</p>
<p>Q15: I am less concerned about the loss of experiential knowledge itself. If anything, AI can help preserve and make such knowledge more widely accessible, because it can process and structure far more information than a single person could. In that sense, AI can support</p>

knowledge retention rather than undermine it. The much bigger risk I see is in the development of consultants over the course of their careers. Traditionally, junior consultants spend a lot of time on basic, often monotonous analytical work. This is precisely how they learn the underlying structures, methods, and relationships, which later enable them to deliver high-quality consulting to clients. If AI takes over many of these foundational tasks in the early career stages, the question is how consultants will later be able to deliver top-level advice if they never went through the full depth of those foundational experiences. For me, this is the biggest challenge; ensuring that skill levels and competencies remain at least as high as they are today.

Q16: In the long term, I expect consulting firms to move increasingly from being pure service providers toward organizations with a much stronger software and technology component. That implies a growing need for IT and AI specialists, and, relatively speaking, fewer traditional consultant roles. As a result, firms will need to rethink their organizational setup and adapt their structures accordingly.

Table 12: Summarized Responses of Marcel Lange

Code: Manuel Alberts	Date: 12.15.2025	Duration: 28 minutes	Type: Teams Meeting
Q1: AI has broadened the scope of consulting tasks, making work more fragmented and requiring consultants to adopt new approaches to problem-solving and client engagement. Rather than replacing consulting activities, AI has expanded them, increasing the range of services firms can offer and altering how consultants structure their work.			
Q2: AI's impact is widespread across consulting practice areas, rather than concentrated in a single function. Strategy, operations, and digital transformation have all been affected, with AI influencing both analytical work and delivery models.			
Q3: I would position AI as both an efficiency tool and a source of value creation. While efficiency gains are significant, AI also enables more creative, innovative, and tailored client solutions. In my view, AI extends consultants' problem-solving capabilities beyond traditional productivity improvements.			
Q4: AI is increasingly embedded in internal processes and infrastructure, supported by data centers and major technology providers. AI is no longer an isolated tool but part of the operational backbone of consulting firms, influencing daily workflows, internal coordination, and client service delivery.			
Q5: AI excels at repetitive, routine, and process-driven tasks, freeing consultants' time while human judgment and creativity remain essential for complex decision-making, nuanced interpretation, and innovative problem-solving.			
Q6: AI has become a strategic necessity rather than a differentiator, pushing firms to adapt their offerings and internal processes. Both large consulting firms and startups are integrating AI to remain relevant, with technology-driven startups using agility to challenge established firms.			
Q7: Firms combining strong human expertise with effective AI usage gain an advantage. AI alone is insufficient; performance improvements emerge when technology complements consultants' judgment, creativity, and relational skills.			
Q8: I would say through a dual differentiation model where AI tools will be critical for enhancing efficiency and expanding service offerings but people and expertise will remain central, as consulting continues to rely on judgment, relationships, and trust.			
Q9: Some challenges I've seen are technological complexity, particularly in aligning AI systems with existing infrastructure, organizational resistance and adaptation difficulties, and disputes and complications during implementation, especially in established firms			
Q10: While I haven't seen any metrics, AI success is often assessed indirectly through efficiency gains, workflow improvements, and enhanced client outcomes, rather than formalized measurement frameworks.			
Q11: Main drivers would include efficiency improvements, particularly in automating routine tasks as well as competitive pressure, as firms seek to remain relevant in an increasingly technology-driven market			
Q12: Key barriers I've seen are organizational resistance to change and fear of disruption. Specifically in Germany too, there are market-specific constraints such as regulatory or cultural factors.			
Q13: Consulting remains fundamentally relationship driven. While AI alters certain interaction patterns, clients continue to value personal relationships, tailored advice, and human judgment.			

Q14: AI alone will not guarantee differentiation as adoption becomes widespread. However, firms can sustain competitive advantage through a unique combination of AI capabilities and human talent, particularly large organizations with diverse expertise and integrated service offerings.

Q15: I think so, over automation could reduce experiential learning.

Q16: AI will continue to reshape roles and workflows, particularly at junior levels, but without eliminating the need for human expertise. Both large firms and startups are adapting structures to integrate technology while preserving consulting's people-driven nature.

Table 13: Summarized Responses of Manuel Alberts

Code: INT5	Date: 12.16.2025	Duration: N/A	Type: E-Mail
Q1: AI summaries have helped us hold advisors accountable to their established goals and metrics. Adding their own words where in the past we would go off of more subjective views of our conversations. It also helps with volume, identifying and sharing resources is much faster which allows us to serve more clients in a shorter amount of time.			
Q2: Operations lead the way, from meeting summaries to SOP development, these areas have created capacity for service.			
Q3: I think it best serves as an efficiency tool. The idea behind creating efficiencies in someone’s practice helps them spend time in areas that AI can’t service (human to human interactions).			
Q4: We are using AI In conversation summaries and next steps. Allowing everyone to be on the same page and meet both short and long-term benchmarks. Additionally, AI helps with templates and coaching feedback. I can use role play summaries or even scripts to provide balanced feedback to improve client engagements.			
Q5: I think daily tasks are quickly moving over to AI ownership. The more time I can spend in-person with clients the better we can use AI to hold the process together. I leverage human judgment and creativity to help with critical thinking and problem solving. Once solutions have been proposed AI can flesh out the details and create guidelines for tracking, processes for implementation, and documentation for future directives.			
Q6: Operational efficiencies are the focus right now.			
Q7: Yes, until we know the limits and appetite from our clients to engage with AI why would we not leverage it as a performance advantage?			
Q8: I think time wasted on AI or over confidence bias are the biggest challenges.			
Q9: I think both, through the way the people interact with the AI tools.			
Q10: We don’t have any concrete metrics yet so that will be determined.			
Q11: Efficiencies around process such as onboarding new clients thanks to increased capacity.			
Q12: Privacy concerns for the company and the client.			
Q13: I think it can enhance the experience if more human interaction is the result of AI efficiencies.			
Q14: Yes, because it can enhance the human interaction/experience. By leveraging AI, we can “get down to business” faster and execute solutions or at the very least test results to make adaptations. Without AI, this is just a slower process to reach the same conclusions.			
Q15: Yes, I think both if it’s not used correctly.			
Q16: What will AI learn over time and what will it continue to replace? Can it answer the same questions? Will it showcase the same creative solutions over time?			

Table 14: Summarized Responses of INT5

Code: INT6	Date: 12.03.2025	Duration: N/A	Type: E-Mail
Q1: It helps us be more efficient with assisting clients in developing scripts, refining business processes, creating efficiencies with the day to day email templates, note taking, etc.			
Q2: Operations at this point in time with the summaries, process refinement, and analysis of data.			
Q3: Both. Not every person is creative and can consider all aspects/views of a project. AI helps support creativity and offers another perspective IF you want that. It's like having another person on your team that can execute for you. It also helps refine delegation skills as you must master the prompts to get the product you want. From a communication perspective, it is helpful to adapt to the needs of the audience and also again helping to refine and scale processes when the user may not be able to solve the problem.			
Q4: Using AI summaries of calls and circling back to the summaries for action steps. Also leveraging it to analyze data quicker or give me formulas for spreadsheets that make the data more apparent.			
Q5: Straightforward tasks like meeting summaries, consolidation of information, etc. are great with AI. You must still think about and know where you are trying to go, what product you want and how to speak to the tool to get the results.			
Q6: Operational efficiencies are the focus right now.			
Q7: I would agree with that based on my experience alone, with a factor being what did they do with the results of the tool.			
Q8: Lack of access to the newest technology, integration of tools, or knowledge/motivation of how to execute can be a challenge.			
Q9: I would say both, depending on how they use them.			
Q10: We currently don't hold any way to measure AI initiatives.			
Q11: Efficiencies around operations and analysis.			
Q12: Cost, cybersecurity, motivation to modernize, and software.			
Q13: It can enhance the product by enhancing productivity. Creating capacity for the consultant to spend more time focusing on the relationship.			
Q14: Yes, the consultant is still a person with a certain style and preference around their process. The AI is just a member of the team.			
Q15: Yes absolutely.			
Q16: Automation of processes that expedite the user experience (scheduling meetings, executive summaries of calls, workflows), process review and scale, as well as more consistent user experiences.			

Table 15: Summarized Responses of INT6

Code: INT7	Date: 12.7.2025	Duration: 38 minutes	Type: Teams Meeting
<p>Q1: Artificial intelligence has primarily changed consulting by restructuring how work is done across different phases of a project, rather than fundamentally altering the nature of consulting itself. I see AI as being embedded across information gathering, data processing, and deliverable creation, with particularly strong effects in the early analytical stages. AI allows consultants to create “<i>very, very clean overviews</i>” of markets, industries, and publicly available information, accelerating tasks that were previously time intensive. However, consulting still revolves around the same core deliverables such as slides, models, and analyses—meaning AI enhances efficiency rather than redefining consulting work.</p>			
<p>Q2: AI has most strongly affected strategy work and commercial due diligences, where publicly available data is central. In these contexts, AI efficiently summarizes markets, industries, and geopolitical trends, while its impact is more limited in areas relying on complex, client-specific internal data.</p>			
<p>Q3: I would frame AI as primarily an efficiency tool. While AI improves speed and precision, it does not fundamentally change what consulting firms deliver or how clients are charged. I would consider myself skeptical that AI currently enables meaningful new forms of value creation.</p>			
<p>Q4: AI is used as a “sparring partner” for drafting, structuring, and summarizing content. Consultants rely on AI for baselines and initial analyses but retain responsibility for refining, contextualizing, and validating outputs.</p>			
<p>Q5: AI performs best in analytical, repetitive, and document-heavy tasks involving structured or public data. Tasks requiring client-specific concepts, storytelling, and judgment remain human-led, as AI often produces generic or irrelevant suggestions in these areas.</p>			
<p>Q6: AI has become a central element of Deloitte’s branding and strategy, with firms actively promoting AI-driven efficiency and innovation. Internally, this is reflected in extensive training and best-practice initiatives, even if day-to-day work has changed only incrementally.</p>			
<p>Q7: I believe performance advantages come from balanced human-AI collaboration. Over-reliance on AI risks reducing perceived value, while effective use requires consultants to actively guide and challenge AI outputs.</p>			
<p>Q8: Key challenges include over-reliance, data security risks, and internal bureaucracy. Referring to the Deloitte Australia case, this is a prime example of what happens when AI outputs are not sufficiently challenged. From a technological perspective, we need to keep LLMs “clean” and avoid excessive dependence on external providers. Organizationally, large consulting firms struggle with slow internal processes, which acts as a gatekeeper to faster AI implementation.</p>			
<p>Q9: Human expertise will remain essential as a differentiator, even as AI tools become more sophisticated. While AI tools will be important for efficiency and baseline work, consulting is and will continue to be a relationship driven industry where clients value judgment, personalization, and trust.</p>			
<p>Q10: At Deloitte we have internal benchmarks and cost-saving initiatives that measure the success of AI. The usage is increasingly integrated into employee development strategies. While there isn’t an exact metric, the firm tracks the impact of AI through project-level and initiative-level evaluations.</p>			

Q11: The main driver is competitive pressure. Firms must adapt AI to avoid falling behind in efficiency and cost structures. Even firms that prefer not to engage with it are pretty much forced to do so, as competitors leverage AI to deliver projects at lower internal costs.
Q12: Data privacy concerns, internal bureaucracy, and the risk of undermining long-term talent development are some barriers we see. Full automation could reduce the hiring of junior consultants, threatening knowledge transfer, and firm sustainability.
Q13: Clients must feel that consulting outputs are genuinely human made. Overly generative language or generic AI phrasing can damage credibility, especially in traditional environments.
Q14: AI will not be a lasting competitive advantage once adoption becomes universal. Instead, AI becomes a baseline requirement and firms that do not adopt it will be at a disadvantage. 2:36 PM
Q15: Yes, both in consulting and society, I am concerned about skill erosion and over-reliance on AI. Consultants should continue to train foundational skills and critical thinking, because excessive automation could weaken independent judgment and experiential learning over time.
Q16: I expect incremental rather than radical structural change. I can see fewer junior consultants and a more senior-heavy workforce, with possible career splits between AI-focused roles and client-facing roles. Overall, I see AI reinforcing existing divisions of labor rather than completely transforming firm structures.

Table 16: Summarized Responses of INT7

Code: INT8	Date: 12.05.2025	Duration: 15 minutes	Type: Teams Meeting
Q1: AI has not fundamentally changed consulting work, but has become a supporting tool for small, everyday tasks. In forensic consulting, AI mainly assists with drafting, summarizing, and basic research, while core investigative work remains human-led due to its sensitive and interpretive nature.			
Q2: AI is more visible in standardized processes. In forensic and investigative services at EY, they are less affected, given confidentiality requirements and the need for human judgment and fraud compliance cases.			
Q3: I see AI as primarily an efficiency tool. It helps save time on routine tasks but does not significantly change the value delivered to clients, particularly in forensic work where insights depend on human analysis and experience.			
Q4: Consultants mainly use AI for small-scale support tasks, such as drafting and refining emails, summarizing interview notes, and conducting basic research, often through EY's proprietary tool, EYQ. AI is not yet used for complex analytical or investigative tasks.			
Q5: AI is best suited for repeatable and clearly defined tasks. Tasks requiring interpretation, judgment, or answering complex client questions, such as identifying fraud patterns or assessing document manipulation still rely heavily on human expertise.			
Q6: In practice, client service and human expertise remain central, particularly in assurance and forensic services.			
Q8: Key challenges include ethical and confidentiality concerns, especially in forensic work involving privileged data. Strict training and protocols are needed to prevent sensitive information from being entered into AI systems.			
Q9: People remain the key differentiator. While AI tools are becoming standard across firms, clients primarily value consultants' ability to communicate, interpret findings, and build trust.			
Q15: Yes. I've observed that frequent reliance on AI for tasks like professional writing has already led to skill erosion, and further automation could reduce experiential learning and the development of foundational consulting skills.			
Q16: AI may reduce exposure to routine tasks that traditionally helped juniors build skills, increasing the risk of weaker learning curves.			

Table 17: Summarized Responses of INT8

Appendix V: Coded Categories Based on Expert Interviews

Coded Category	Key words and phrases	Company
AI for Efficiency	<ul style="list-style-type: none"> • “Makes it easier to digest large volumes of data” • “AI handles drafting, structuring, research” • “Speeds up repetitive and standardized tasks” 	<p>PwC (x4) EY (x2) Deloitte FCF</p>
AI for Future Value Creation	<ul style="list-style-type: none"> • “It enables new value creation... gives more room to think” • “AI can expand your knowledge base quickly” • “In 3-5 years, end-to-end uses will emerge” • “Hype is greater than applicability today” 	<p>PwC (x3) EY Deloitte (x2) FCF</p>
Human judgment cannot be replaced	<ul style="list-style-type: none"> • “The relationship is what clients pay for” • “AI doesn’t replace critical thinking” • “Partners will spend more time in the field” • “Relationship-building won’t go away” 	<p>PwC (x4) EY (x2) Deloitte (x2) FCF</p>
Data Confidentiality Concerns	<ul style="list-style-type: none"> • “We cannot paste privileged information into AI” • “Deloitte Australia scandal shows the risk” 	<p>PwC (x1) Deloitte (x2) EY (x3) FCF</p>
Skill Erosion Risk	<ul style="list-style-type: none"> • “People become more stupid” • “I can’t even write emails anymore” • “Juniors won’t develop expertise if AI does the basic work” 	<p>PwC (x3) Deloitte (x2) EY (x2) FCF Einwert</p>
Immature Measurement Methods	<ul style="list-style-type: none"> • “We don’t have a way to measure it yet” • “Too early to quantify impact” • “No structured measurement framework” 	<p>PwC (x4) Deloitte (x2) EY (x1) FCF</p>

Workforce Redesign	<ul style="list-style-type: none"> • “Fewer juniors, more engineers & technologists” • “AI reduces need for entry-level manual labor” • “Consultants must understand AI + domain expertise” 	<p>PwC (x4) Deloitte (x2) EY (x1) FCF</p>
AI as a Weak Differentiator	<ul style="list-style-type: none"> • “Not a selling point when everyone uses the same platforms” • It’s not the tools- it’s how people use them” 	<p>PwC (x3) Deloitte (x1) EY (x1) FCF Einwert</p>
Regulatory and Ethical Constraints	<ul style="list-style-type: none"> • “Ethics and compliance limit automation” • “Human review required” 	<p>PwC (x3) Deloitte (x2) EY (x2) FCF Einwert</p>
Long-term Industry Evolution	<ul style="list-style-type: none"> • “Consulting firms becoming tech organizations” • “AI will reshape, not replace consulting” 	<p>PwC (x4) Deloitte (x2) EY (x2) FCF Einwert</p>

Table 18: Coded Key Words