# Why Consulting Practices Struggle

## Idea In Short

Scalability sounds simple in theory, copying what works with limited friction while quality and revenue grow together, but consulting and professional services practices consistently struggle to achieve it in practice. Nine recurring reasons explain why: from the basic economics of competition to culture, focus and the simple exhaustion of building something from scratch.

## A Favorite Word That Rarely Delivers

Scalability applies to careers, client outcomes and business generally, and everyone wants more of it. In theory, it describes the ability to copy the good parts of a business with minimal friction, sustaining consistent quality without administrative costs rising proportionally, and ultimately translating into revenue growth, market share gains and career advancement.[1] In practice, consulting and professional services firms consistently struggle to achieve it, for a set of recurring, largely predictable reasons.

## Growth Invites Competition by Design

Growth is genuinely hard, in no small part because competitive markets guarantee that healthy profits attract more competitors tomorrow than existed yesterday. Basic market dynamics tend to erode outsized profits over time, and a well-known consulting firm has captured the resulting bind memorably: growth creates complexity, and complexity kills growth.

## Mergers Rarely Deliver What They Promise

Growing in a disciplined way is harder still, and mergers and acquisitions frequently make the problem worse rather than better. Companies eager to grow quickly often pursue acquisitions with more enthusiasm than discipline, even though a substantial majority of mergers ultimately destroy shareholder value rather than create it.[2]

## What Worked Once Stops Working

Markets and technology shift continuously, and the approach that made a company successful originally is not guaranteed to keep working going forward. Well-known examples include a computer maker that once eschewed retail partnerships eventually embracing them, and an airline once known for simple, no-frills seating eventually introducing priority options. Staying nimble enough to move with these shifting curves, rather than defending an outdated playbook out of habit, separates firms that keep scaling from firms that stall.

## Process Quietly Crowds Out Judgment

As companies grow larger, they naturally reach for process and policy as a way to reinforce control, and administrative overhead tends to climb as more meetings get called that ultimately go nowhere. A rival consulting firm has made the case that complexity needs to be fought directly with genuine simplicity, echoing a well-known line from a pastor and author: purpose should never change, but process should always be willing to change.

## People Hold On to Roles Too Long

As organizations mature, a different set of leadership behaviors is required at each stage, and the same individuals who thrived in an earlier role sometimes cannot or will not adapt to what the next stage genuinely demands. A well-known organizational observation, sometimes called the Peter Principle, captures the underlying risk: people tend to keep getting promoted until they reach the level at which they are no longer effective.

## Culture Is Hard to Transmit at Scale

Culture is an admittedly amorphous concept, but it consistently proves more important than strategy alone, and it is genuinely difficult to transmit as an organization grows. Sustaining it requires constant reinforcement through careful recruiting, real mentoring, selective and meaningful promotion decisions, deliberate storytelling, a willingness to make difficult calls, and a foundation of real trust among the people doing the work.

## Burnout Takes the Best People First

Scaling an organization from the ground up is exhausting work, requiring someone to simultaneously staff projects, deliver client work, sell new business, coach junior team members, travel constantly, write, present and manage operations all at once. Some of that pressure produces genuinely useful, energizing stress, but taken too far it produces burnout, and it is often the strongest performers who leave first once that threshold is crossed.

## People Are Either Assets or Liabilities

For professional services organizations, from consulting to law to accounting, the underlying equation is unusually simple: strong people function as genuine assets, and weak hires function as genuine liabilities, with very little useful middle ground given how directly a firm's output depends on its people.

## Losing Sight of Why and What Not to Do

Many large organizations lack a clearly understood mission or true north that employees can articulate, producing a quiet identity crisis that undermines everything else.3 Strategy is defined as much by what an organization deliberately chooses not to do as by what it pursues, and the search for growth easily seduces firms and individual consultants alike into chasing whatever opportunity appears next, drifting between projects and firms without ever building the clear focus that genuinely scalable practices require.

- 1Economies of scale
- 2Mergers and acquisitions
- 3Organizational identity

## Summary

Scaling a consulting practice fails for reasons that are almost entirely internal: unmanaged complexity, resistance to change, culture that fails to transmit, burnout and a lack of focus. Growth is available to firms willing to fight complexity with genuine simplicity and discipline.