UNIVERSITY OF TORONTO

APS1049H Management Consulting for Engineers

Impact of Artificial Intelligence on the Management Consulting Industry

Team 5

EXECUTIVE SUMMARY

This research report looks at evaluating the impact of AI in the management consulting industry – with a specific focus on law, accounting & finance, and operations management. The report also identifies future opportunities and presents recommendations for further implementation of AI in consulting practices. It was found that all of the big four firms are already using AI tools to help their clients – either through their own tech divisions or in collaboration with a tech firm. Case studies have been used to show the application and adoption of AI in the three mentioned professions.

In accounting, AI tools are extensively used for accounts payable and receivable, financial auditing, tax purposes, etc. In law, the tools are generally used for contract review, legal analytics, prediction technology, and legal research among others. In operations, AI is used for predictive maintenance, asset provenance, supply chain management and setting up smart manufacturing facilities among others. Interviews conducted with industry experts pointed towards the opportunities for use of AI in the consulting sector for law and finance. All agreed that traditional

skillsets such as strategic and business understanding are just as important as the technical know-how of machine learning in order to help their clients implement AI tools.

The most common limitations of AI in consulting were identified as its inability to make strategic decisions and data security, which also poses an opportunity for the future. Recommendations for future consultants are also provided, such as building a career towards a dedicated section of consulting - AI consulting, which typically focuses on helping businesses transform digitally. In addition, methods to improve workflow efficiency in traditional consultancies have been identified. Lastly, future opportunities in law, accounting, and operations engineering have been pointed out, including bridging gap between AI tools and employees, acting as agents of change in industry, and creating roadmaps to implement new AI technology.