



By the Numbers: Consulting Service Providers and the State of HR, Benefits and Payroll Consulting

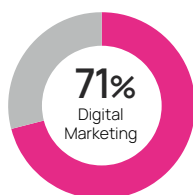
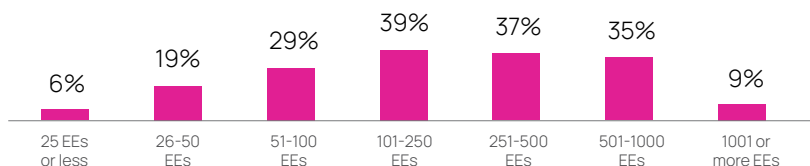
Human resources (HR) departments are often inundated with tasks ranging from hiring and benefits administration to compliance and policy development. To manage these complexities, many organizations seek guidance from specialized advisors who they know, trust and already work with—including consulting service providers. In *isolved's* Advisory Services Research: The State of Benefits, Financial and HR Consulting report, we surveyed consulting firms to uncover the primary challenges they face and the opportunities they see in providing HR support to their clients.

Here are their insights.

Consulting Service Providers: Client Snapshot

Typical Business Size of Client

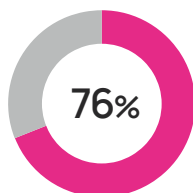
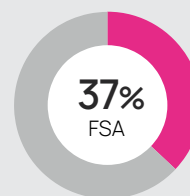
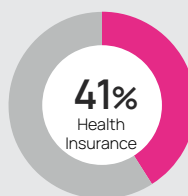
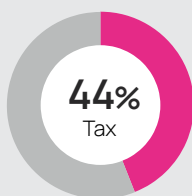
Most consulting service providers support clients with between 100 and 250 employees.



Where do Consulting Services Source Clients?

Digital marketing is far and away the most common way consultants source clients, including digital ads, intent data, email marketing, social media, third-party websites and more.

Which Services Are Being Advised On?



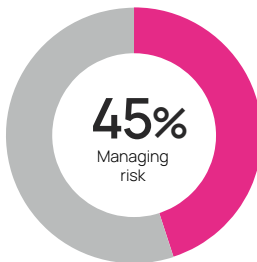
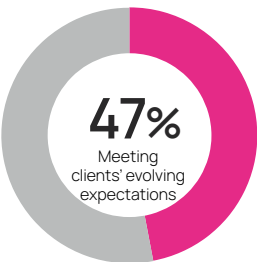
Who Handles Benefits and Compliance?

More than half of consultants (76%) rely on third-party administrators (TPAs) to handle some portion of benefits and compliance services for their clients in addition to providing services in house—while 25% outsource entirely.

Consulting Service Providers: Challenges and Priorities

Top Challenges for Consultants

Meeting the evolving expectations of clients is the most common advisory concern for consulting services, along with managing risk and economic uncertainty.



Top 5 Client Concerns, Ranked

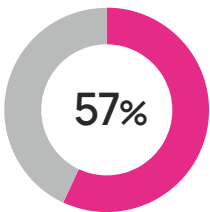
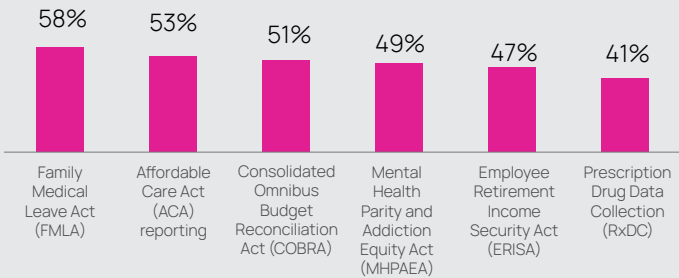
1. Improving the employee experience
2. Rising healthcare costs
3. Increasing employee expectations (tied)
4. Managing challenges with benefits enrollment (tied)
5. Maintaining compliance

Rising Concerns from Clients

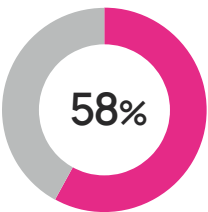
Employee experience is top of mind for consulting services' clients—followed by healthcare costs, increasing expectations from employees, and challenges around enrolling employees in competitive, compliant benefits.

Top Compliance Worries

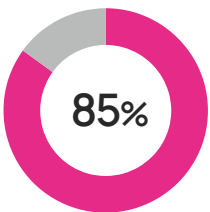
Managing family leave compliance is a significant concern for consultant clients, with ACA reporting as the second most common concern.



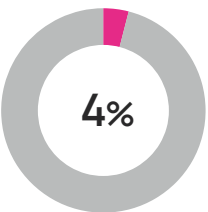
Are worried AI will replace human brokers



Believe AI will help disrupt financial wellness and benefits by 2026



Are offering or exploring AI in their solutions



Not interested in AI

All-in on AI

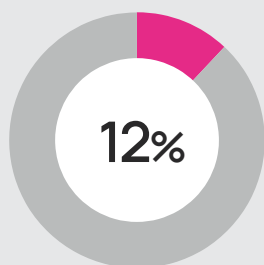
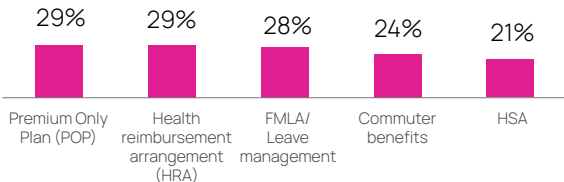
Consulting firms are the least likely advisory to be exploring artificial intelligence (AI), with only 41% currently offering AI-based solutions—and they were also the least concerned that AI is poised to replace human brokers.

This is interesting, considering more than half of consultants believe the biggest disruptors of financial wellness and employee benefits will include shifting demographics that demand tailored benefits with fintech AI investment strategies (24%), shifting workforce demographics demanding tailored benefits with AI analytics (23%), and AI-based business models (11%).

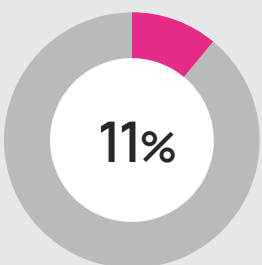
Consulting Service Providers: What's Next

Service Offerings Now On Deck

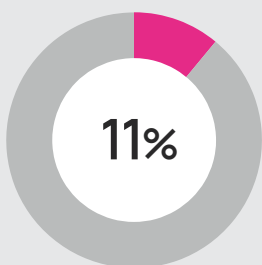
POP and HRA are top of mind for consultants to expand their offering in 2025, along with support for FMLA, commuter benefits and HSAs. Those who don't currently support leave management say the main reason is a lack of familiarity with the offerings.



Integrating AI-driven analytics for tailored employee benefits



Leveraging digital transformation to enhance customer experience



Addressing cybersecurity concerns amid increased digitalization

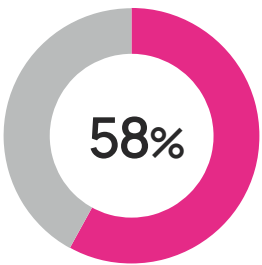
Top 2025 Opportunities

Tech is top of mind for consultancies, as AI tops their list of 2025 business opportunities. Tied for their second most promising opportunity are digital transformation and digital security.

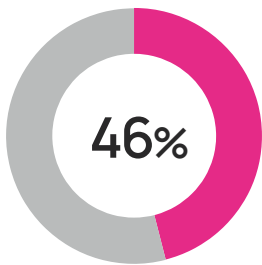
Helping Clients Grow Their Business

Good communication on benefits is the consensus advice from consulting firms—with more than half offering this as their top advice to clients, followed by offering good health insurance and flexible work.

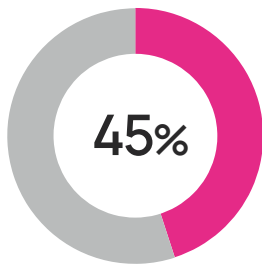
Most Frequent Advice for Clients



Ensure transparency and clear communication about employee benefits packages to foster trust and satisfaction among employees



Prioritize offering comprehensive health insurance coverage to attract and retain top talent



Consider flexible work arrangements or remote work options to enhance employee work-life balance

Partnering with the right HCM technology vendor can help consulting services solve top client concerns—like offering competitive benefits and maintaining compliance—resulting in happier clients that are more likely to come back for support in the future (and share their experiences with others).

Download our full **Advisory Services Research: The State of Benefits, Financial and HR Consulting (2024-2025)** report to discover more.

[Read the Report](#)