



Generalist vs. Specialist Consultants:

Who Makes More Money?

Table of Contents

Introduction	1
Generalization in Freelance Consulting	3
Definition and Characteristics	
Benefits of Generalization	
Challenges of Generalization	
Specialization in Freelance Consulting	3
Definition and Characteristics	
Benefits of Specialization	
Challenges of Specialization	
Comparative Analysis: Specialization vs. Generalization	8
Career Paths and Expertise	
Income and Market Opportunities	
Specialists tend to earn more	
Why specialists can earn higher rates?	
DACH Region: In which industry to specialize?	
Specializing in a growing segment can lead to high rates	
Clients and Projects Types	
Recommendations: Developing T-Shaped Skills	14
Identify Your Core Specialization	
Expand your Skills Set Horizontally	
Stay Agile	
Conclusion: How to Drive Success in the Freelance Market	18

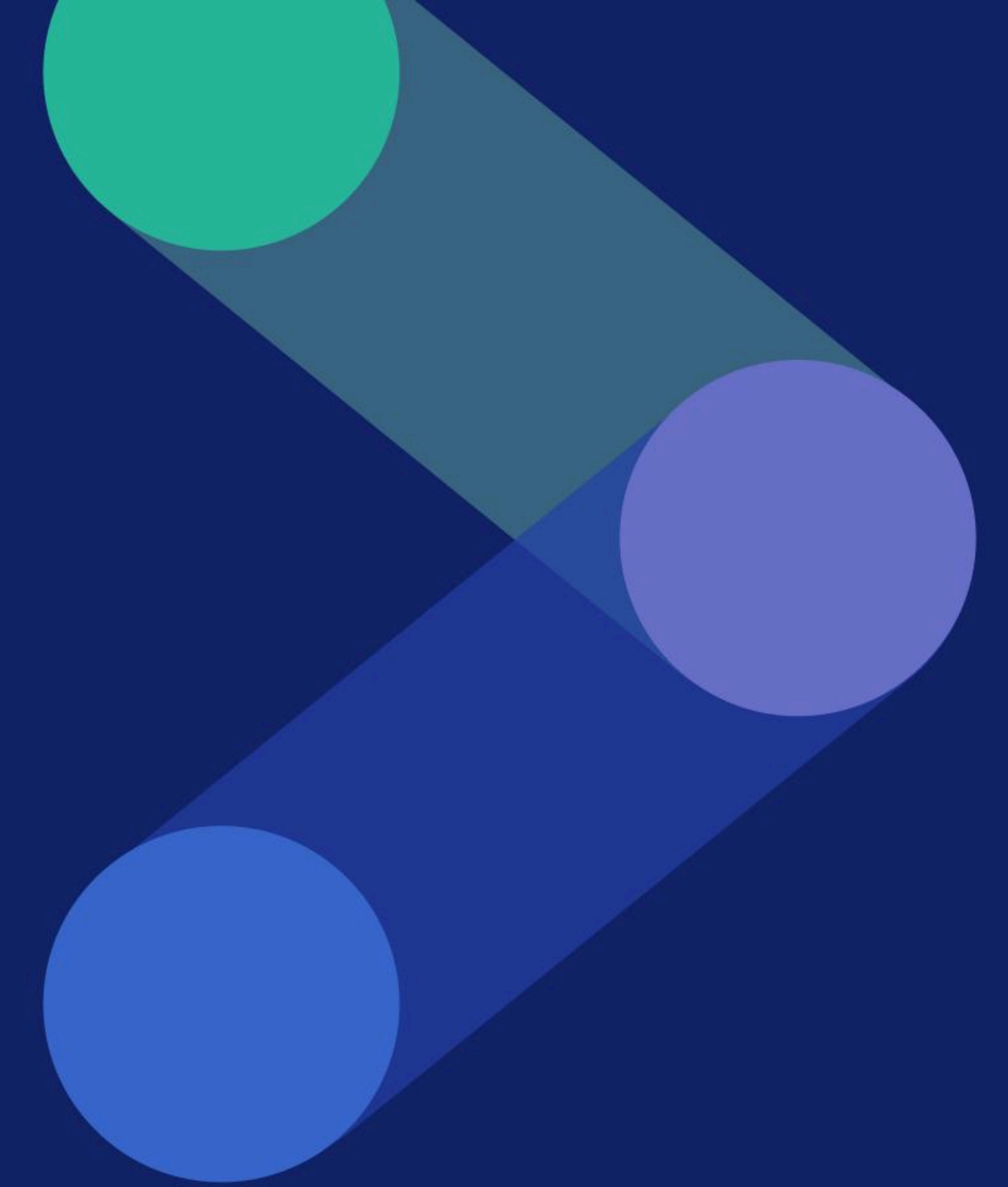
Introduction

In today's dynamic and rapidly evolving freelance consulting landscape, consultants always face a critical decision: should they specialize in a specific niche, or should they adopt a more generalized approach?

According to Grand View research, the freelance platform market is **expected to grow at a CAGR of 16.5% from 2023 to 2030**, thus it is essential to set a good strategy to win more incoming projects. **Nearly 57% of freelancers believe that focusing on a specific niche is crucial for their success.** However, both paths offer unique opportunities and present distinct challenges, making it a pivotal decision for their careers.

Generalists have a good understanding of all functions in a department, they can handle more cross-functional problems and have a clearer view of the bigger picture. On the other hand, some projects require a deeper understanding of a single function, and specialists may provide the right specialized knowledge and conduct the work more effectively and efficiently.

When comparing these two paths, the cross-functional and cross-industry expertise of generalist consultants makes them valuable across many industries, particularly in dynamic and rapidly changing environments, where the ability to pivot is essential. However, they might not charge the same high fees as specialists. Specialists typically have a financial edge due to their deep expertise, but they must navigate the fluctuations in demand specific to their niche.



This guide delves into the characteristics of each approach, comparing them across key dimensions such as income potential, client engagement, and career growth. While specialists might make more money due to their deep focus, generalists are indispensable in providing flexible and broad solutions.

Finally, we introduce the concept of T-shaped skills, a balanced approach combining deep expertise with broad capabilities, offering a strategic advantage in the freelance market.

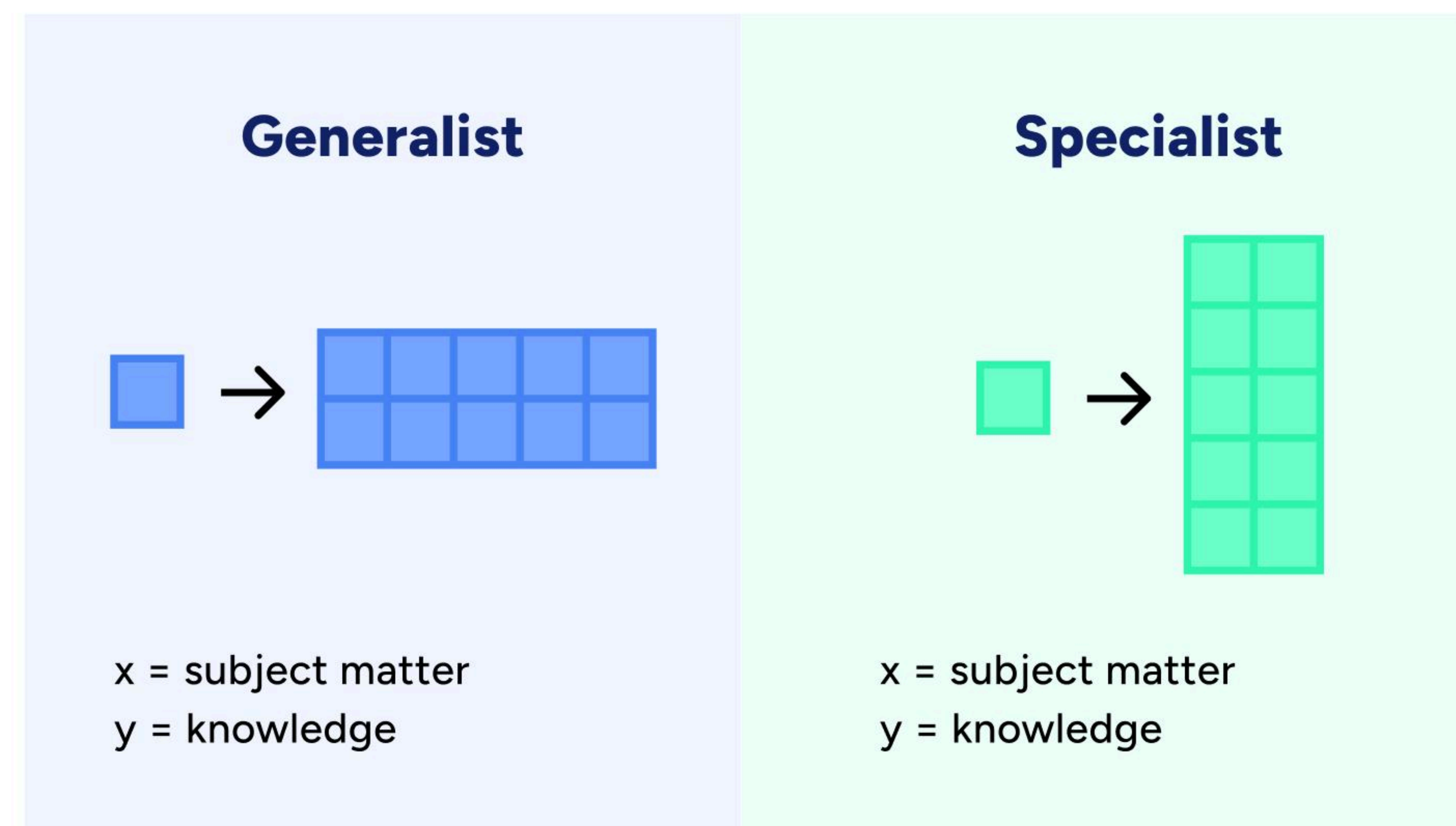
Generalization and Specialization in Freelance Consulting

As noted by OmniTek Consulting:

Generalist: One who has a preference for and focuses on **breadth** of knowledge

Specialist: One who has a preference for and focuses on **depth** of knowledge.

We can imagine this graphically: imagine that each consultant starts with knowledge in a particular area rated at 1, and can grow their expertise to a maximum level of 10. A generalist opts to expand the breadth of their knowledge, acquiring skills across multiple areas, while a specialist focuses on deepening their understanding in a select few areas.



Mathematically, the area of both rectangles might be the same, indicating equal overall knowledge value. However, from a business perspective, the effectiveness and desirability of these knowledge shapes can differ significantly. We will talk about this later, providing insights on how to build a T-shaped skills profile.



Generalists:

Definition and Characteristics

Generalization in freelance consulting involves offering a broad range of skills across multiple industries and projects.

- Generalist Consultants provide a **holistic approach to consulting**, being able to tackle complex projects that cut across different functions, offering a broad-based knowledge that can adapt flexibly to companies' needs.
- It is false to say that they do not have any expertise: **their expertise is not in content but context**, using their breadth of knowledge to see the bigger picture.
- Generalist Consultants are typically either **former consultants or business advisors** who followed the generalist consulting career track at top consulting firms, or product and business managers in corporates.
- They have worked on a wide range of projects across different industries, possessing a strong analytical mindset, integrative thinking and problem-solving skills.

Benefits of Generalists

Diverse Knowledge

Generalists consultants have diverse experiences and skills across many fields. This variety enables them to **connect ideas and approaches from different areas** to solve complex problems.

For instance, a generalist might combine marketing strategies with IT solutions to enhance a company's digital presence.

Their ability to see the bigger picture and **apply multiple perspectives** makes them particularly adept at handling multifaceted challenges that span across different functions and sectors.

Versatility and Flexibility

Generalists can handle a wide array of client needs because they possess skills and knowledge across multiple functions, industries, roles.

Their ability to shift focus and pivot between different industries or project types allows them to engage with a diverse clientele, providing a steady stream of opportunities across various sectors. Moreover, it decreases the risk of obsolescence of being focused on a specific area.

High Emotional Intelligence and Situational Awareness

According to Forbes, generalists have a high capacity to collaborate effectively and facilitate collaborations between teams because of their high EQ. Generalists also tend to have a higher level of situational awareness and can see the bigger picture. Where specialists tend to have a high degree of awareness in their own area, they may not be great at understanding areas outside their fields. They need a generalist, a big-picture thinker, to bring it all together.

Challenges of Generalists

Market Appeal and Competition

Generalists may struggle to position themselves as top experts in any single area. Without a clear niche, it can be harder to stand out and attract clients who are looking for highly specialized solutions.

Whilst it is true that generalists appeal to a broader audience, they **face competition from both other generalists and specialists**. Since the focus is on "breadth" instead of "depth", it may be difficult for generalists to communicate their value.

Narrower Expertise in Complex Areas

Considering highly technical and complex fields, generalists may not have the same knowledge as specialists.

This might be a disadvantage if clients need a deep, expert-level insights while competing in projects that require highly technical skills in a specific area.

Earning Potential Related to Scale

Overall, Clients tend to prefer working with professionals who fully understand their distinct challenges and can provide customized solutions.

When hiring a generalist, they are less able to impose premium rates compared to a specialist in the area of the problem. Thus, generalists earning potential is mostly connected to the number of projects they take.



Specialists:

Definition and Characteristics

Specialization in freelance consulting involves a concentrated focus in a specific industry, function, or area of expertise.

- **Specialists develop in-depth expertise in a specific niche**, enabling them to manage complex, high-stakes projects. These projects often involve detailed technical requirements, regulatory compliance, or advanced strategic planning that require a deep, nuanced understanding of the field.
- Specialists are typically **industry or functional experts** (10+ years of experience in a particular industry or department), or former consultants who followed the **expert career track** in a **top consulting firm**.
- They possess a deep understanding of the industry or function's trends, challenges, and best practices

Benefits of Specialists

Build a Personal Branding

With a deep understanding of a specific industry or function, clients perceive specialists as trusted advisors, increasing their voice and trust for their advice and leading to higher credibility and a strong professional reputation.

However, building a strong personal brand is crucial to establishing themselves as experts in their niche. For some tips on How to Build a Personal Brand as a Consultant, [click here](#) for our blog article.

Clear Niche and Focused Client Relationships

Unlike generalists, specialists have a clear market positioning, often working on high-stakes and complex projects that require detailed and focused expertise, building trust and deep relationships with clients.

Over time, this can lead to long-term engagements and loyal clients.

Higher Earning Potential

Due to their specialized skills and expertise, specialists can market their service at a premium rate. Clients are willing to pay more for a more targeted expertise that directly addresses their specific needs and delivers high-quality outcomes.

Challenges of Specialists

Risks of obsolescence and limited flexibility

Depending on the function or industry, specialists could be particularly vulnerable to shifts in market demand or technological advancements.

For instance, certain areas of consulting (such as management consulting or financial advisory) have always been in high demand, but others, more recent, areas (such as digital transformation) are rising in demand. Thus, if your area of focus becomes obsolete, your skills might be less relevant.

Intense Pressure to Maintain Expertise and High Expectations

Specialists always need to be at the cutting edge of their field. Even though this is also valid for generalists, specialists are more sensitive to disruptive shifts in their field. This requires a high commitment to keeping up with the latest advancements, in order to keep delivering outstanding results to your clients. For discovering the main consulting trends in 2024 and 6 practical practices for consultants, visit our [Freelance Consultant Guide 2024](#).

Narrower Project Scope

Specialists often work on similar types of projects within their work. Especially as specialization increases, they become experts only on narrow scopes of projects. This can limit the variety and diversity of tasks, opening up also some risks (for instance, market and price saturation as the demand of these projects is increasingly met with specialized consultants). Thus, as a consultant, careful consideration must be given to the topic on which to focus, considering market trends and growth opportunities

Comparative Analysis: Specialization vs. Generalization

Dimension #1: Career Path and Problem-Solving Skills

Generalist and specialist consultants can follow different career paths. In particular, in the corporate world one can develop both skill sets and become either a generalist or a specialist, depending on their broad adaptability and on developing deep, focused experience.

To avoid broad generalizations, let's compare the career paths in major consulting firms, taking for instance McKinsey. In a top consulting firm, you can follow two different career paths, as explained by [Casecoach](#):

The Generalist Consulting Career Path

This path progresses through three main phases: Consultant Role, Project Management Role and Partner Roles. Generalists work on a variety of projects in a wide range of industries and functions, thus thrive on their adaptability and ability to manage diverse projects and teams. However, consultants can also decide to become a specialist in the generalist track, with the same career progression as a generalist consultant.

The Expert Consulting Career Path

This path is tailored for those who wish to specialize deeply in a particular area, such as digital transformation, healthcare, or supply chain management. Experts begin in Specialized Roles, where they apply their niche expertise to specific client problems. They can advance to Senior Expert Roles, providing in-depth analysis and leading specialized projects, and eventually become Partners or Directors focused on their area of specialization.

Here’s a breakdown of how the job titles on the generalist and expert consulting career paths at McKinsey:

Generalist	Specialist
Business Analyst	Analyst/Fellow
Associate	Specialist
Engagement Manager	Expert
Associate Partner	Associate Expert Partner
Partner	Expert Partner
Senior Partner	

Thus, **generalists have a greater breadth of perspectives, and excel in navigating poorly defined situations.** They can fill immediate needs due to their flexibility and skills. On the other hand, **specialists have great problem-solving abilities regarding their specialty** due to their extreme depth of knowledge on the subject and follow a very streamlined work process. While **specialists take on a more analytical approach, generalists focus on synthesis.**



Dimension #2: Income and Market Opportunities

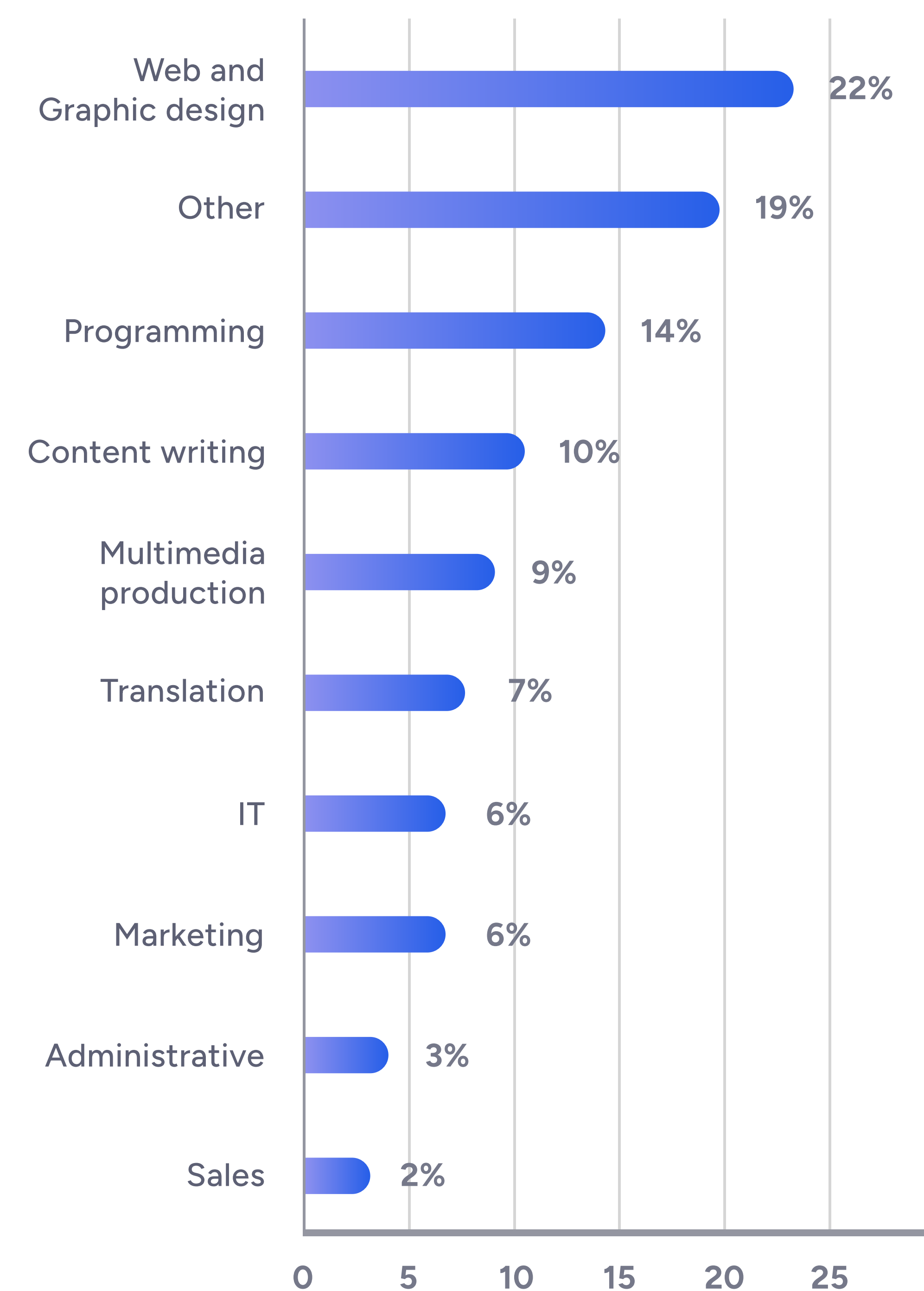
Specialists tend to earn more

When comparing the income and market opportunities, specialists typically have a financial edge over generalists due to their deep expertise and focus area. According to Upwork, **specialists in IT and finance can charge rates that are 20-30% higher than generalists.**

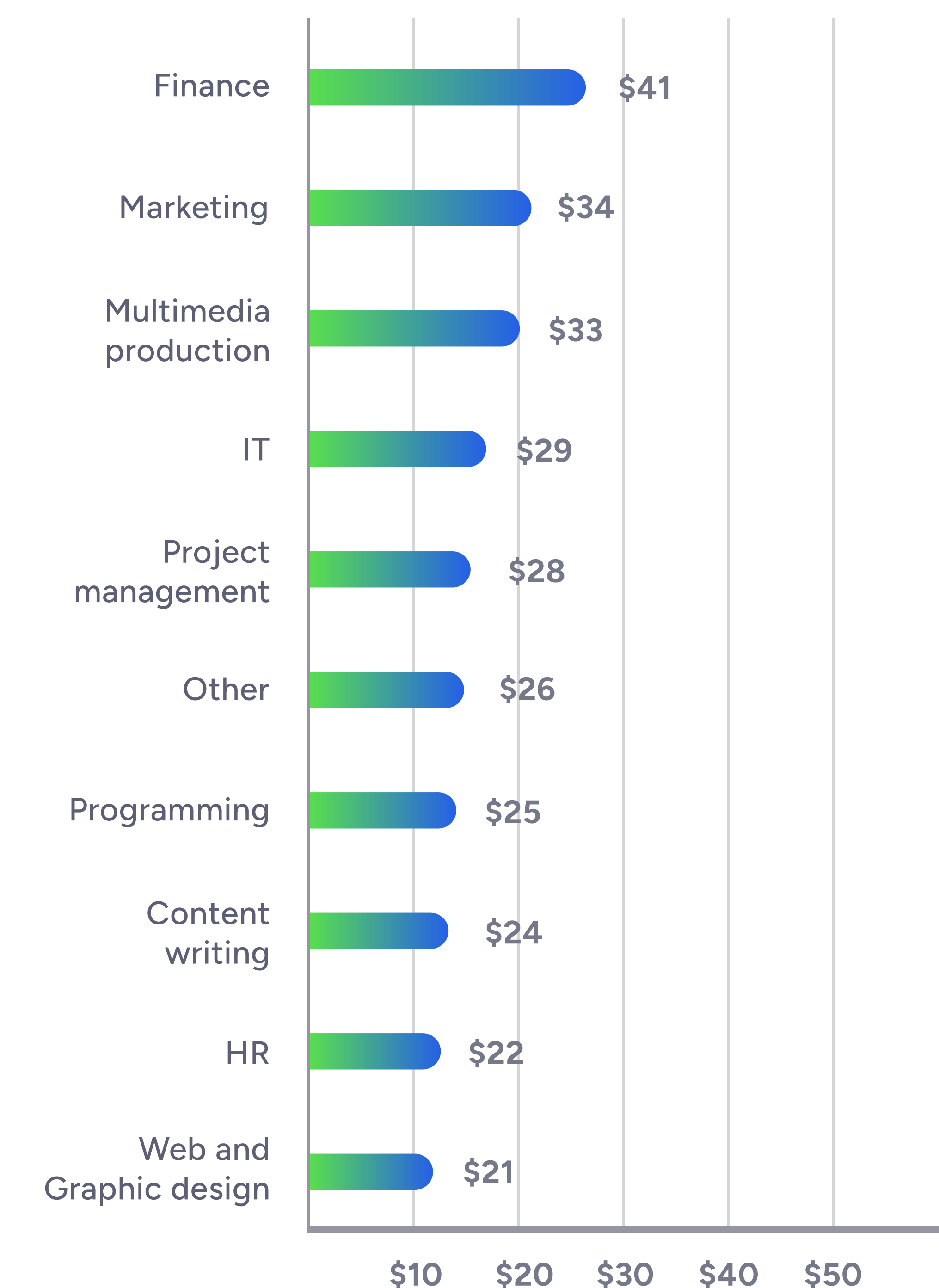
According to Payoneer, **clients are willing to pay higher rates for more specialized consultants and have fields with less qualified practitioners.** In fact, more fields with a large number of freelance professionals are more likely to have downward pressure on rates. In 2022, the fields with the largest number of freelance consultants were not the most well paid.



Top 10 Most Popular Fields of Work



Average Hourly Rate of the Top 10 Highest Paying Fields



Why specialists can earn higher rates?

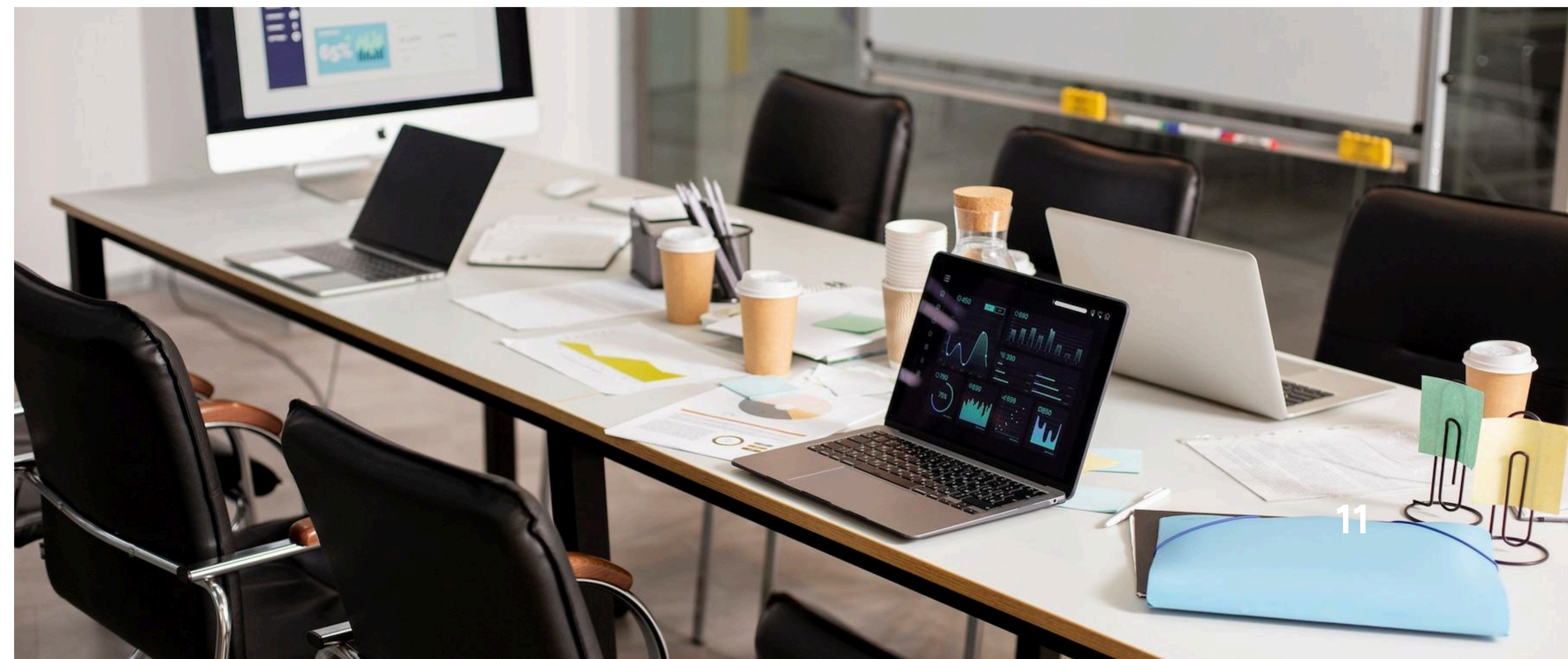
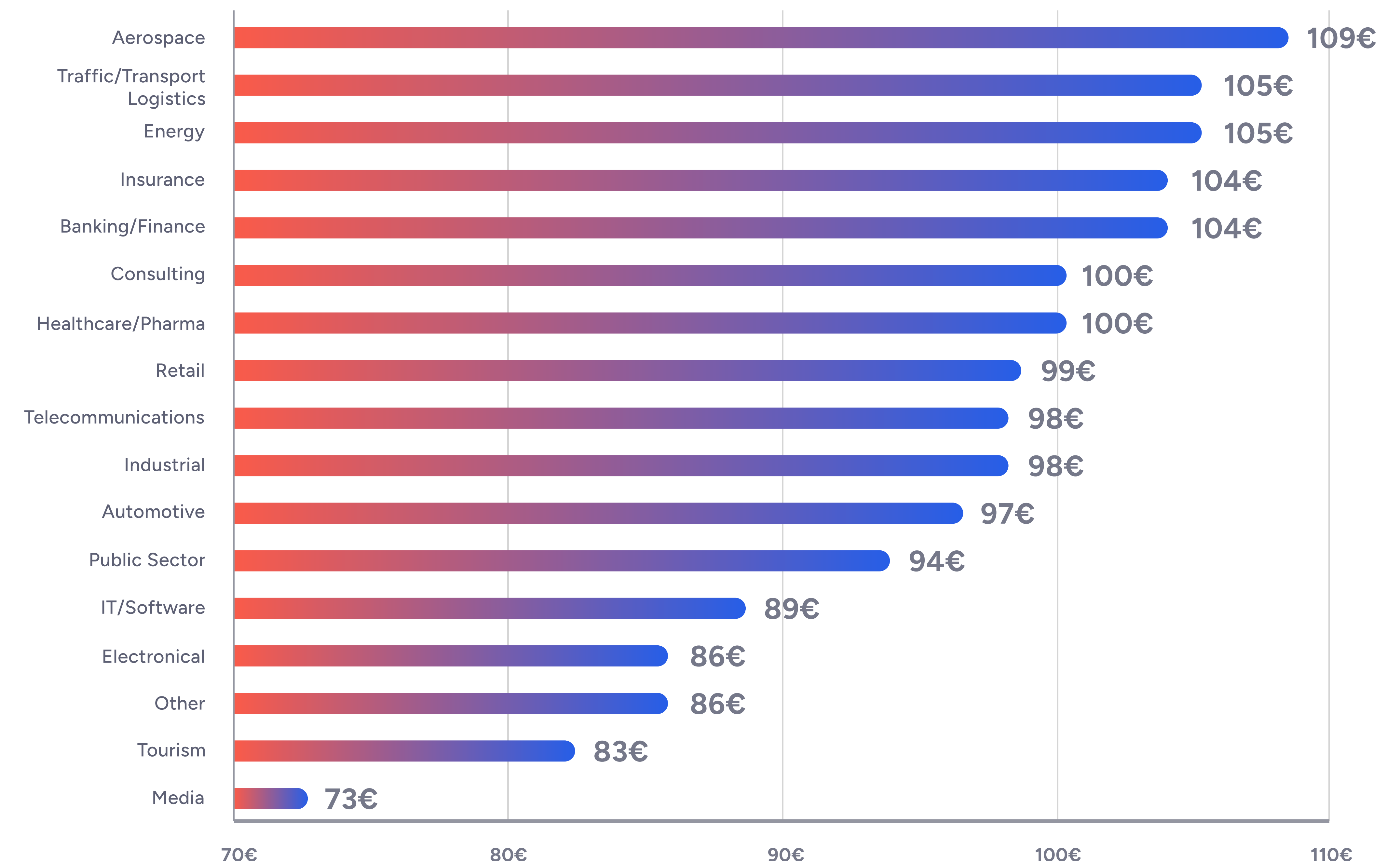
Diversification of skill sets allows for broader marketability, thus there is a **large supply of generalists** that want to keep their options open in a constantly changing market. Conversely, there's a **lower supply of specialists**, considering the time and effort it takes to reach the required expertise.

On the other hand, it is not straightforward to compare the demand of generalist with the one of specialists: specialists are not competing against generalists as a group, but rather within their specific niche. **No one can be a specialist in everything**, so their demand is tied to their particular area of expertise. In contrast, generalists can apply their skills to a broader range of roles, making them consistently valuable. This means that there is generally a **higher demand for generalists** across the consulting industry compared to any specific type of specialist, but **specialists are able to impose higher rates**, as their supply is tied to their specific area.

DACH Region: In which industry to specialize?

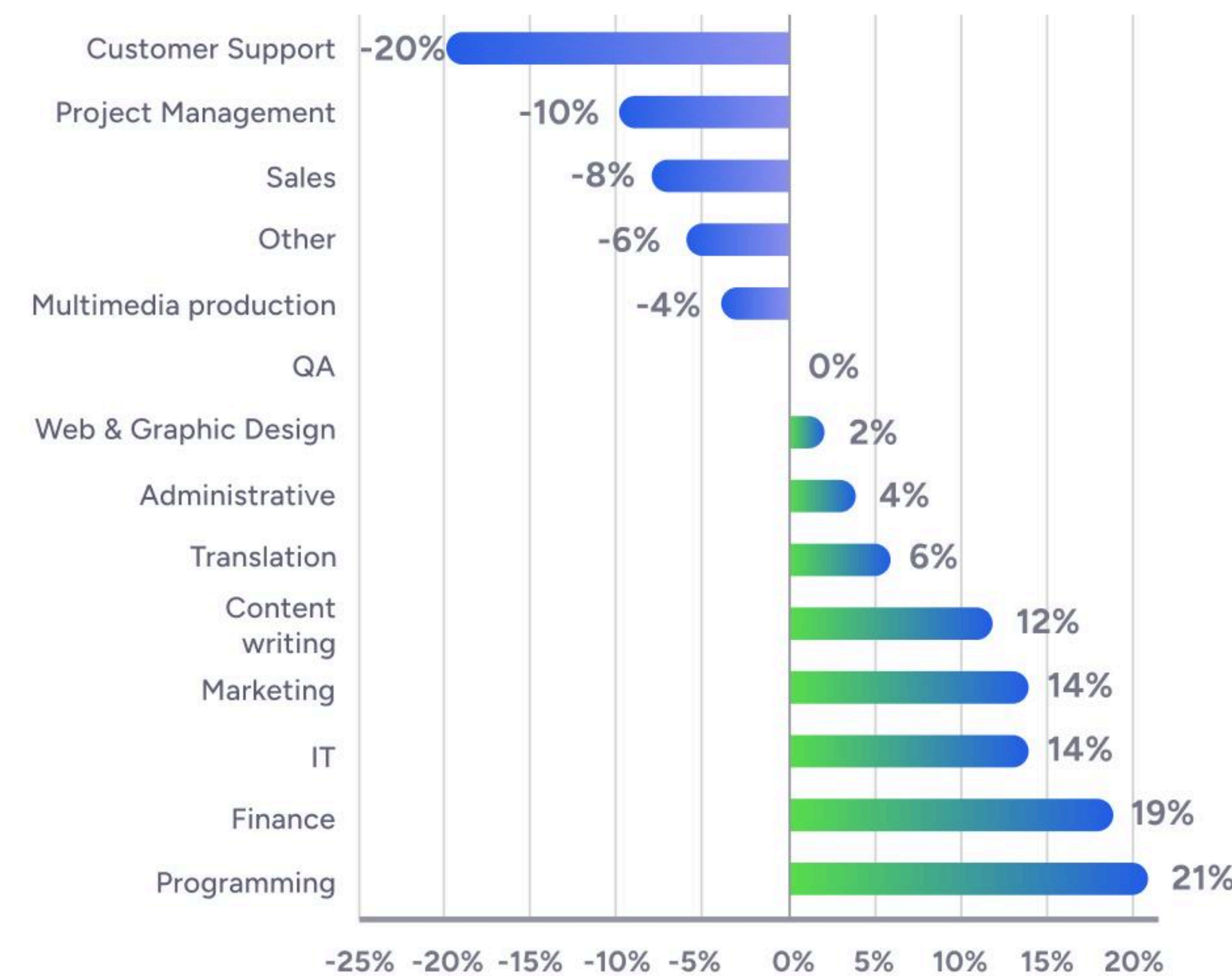
According to Freelance Map, in the DACH region, the Aerospace industry is the highest paid industry with an average hourly rate of €109. The Traffic, Transport and Logistics and Energy industries are a close second (€105) followed by the Insurance industry (€104).

Freelance Hourly Rates by Industry (DACH Region)

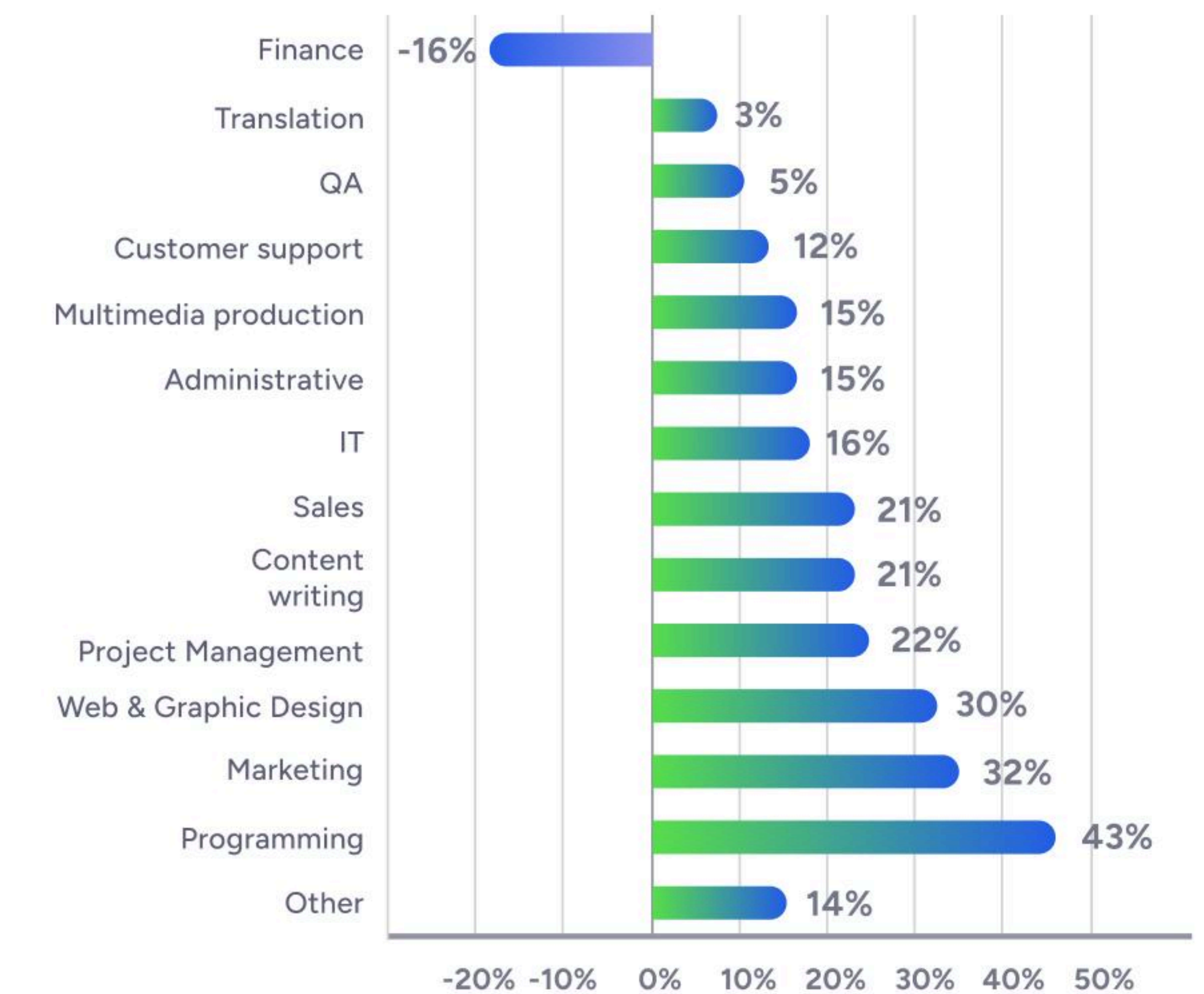


While the industry as a whole was able to persevere, **demand for freelance work shifted unevenly across different sets of skills**. Fields that saw particularly higher demand include **programming, finance and IT**, while customer support exhibited the most significant decline in 2022. Two years later, **finance was the only field exhibiting a net decline**, possibly due to an increasing number of finance departments finding more ways to optimize their costs. On the other hand, **Programming, Marketing, IT, kept their growing trend**.

Net Change in Demand by Field (2021-22)



The Net YoY change in Demand for Freelance Services



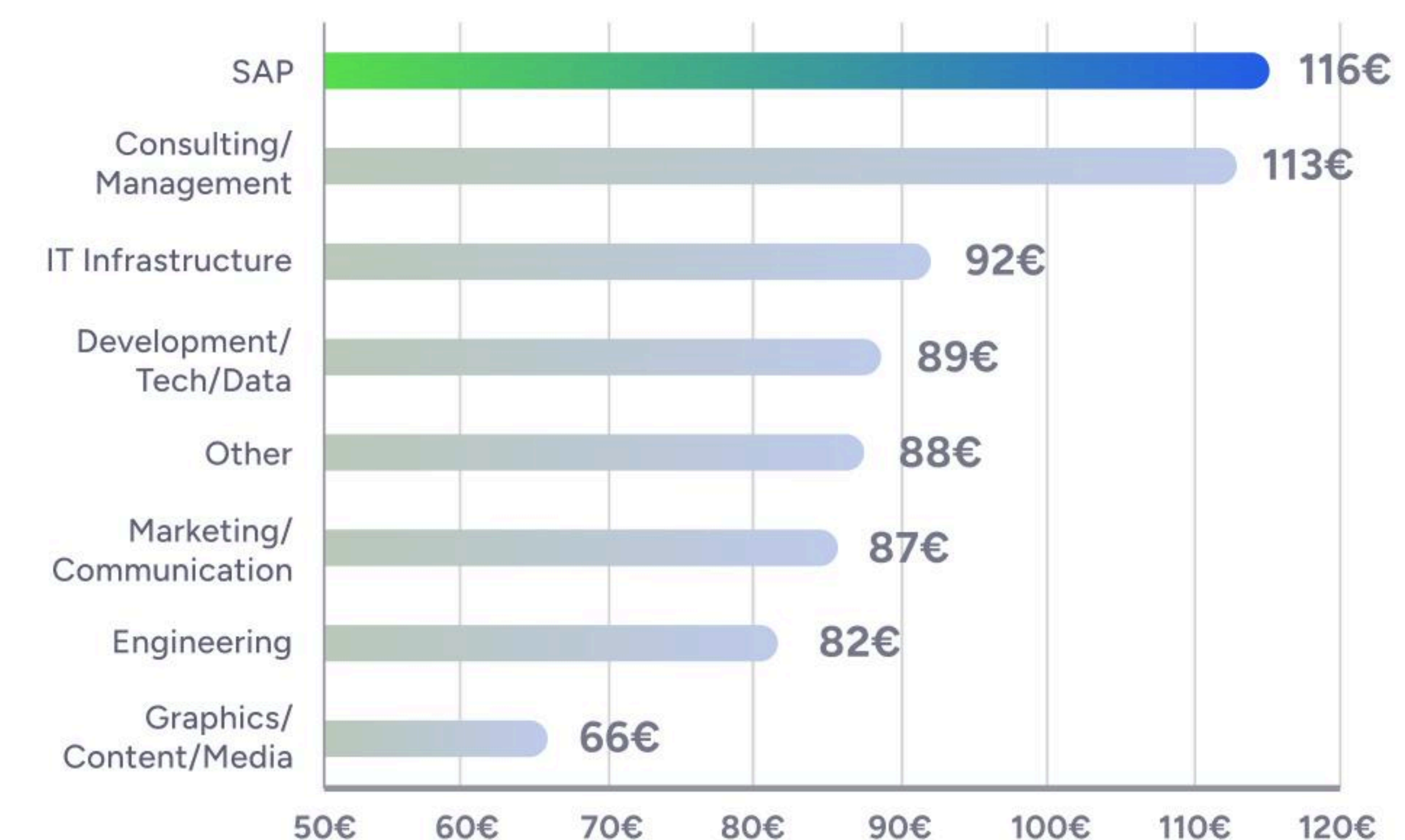
Specializing in a growing segment can lead to high rates

Deciding in which industry to specialize is a mix of personal preferences, skills and aspirations, but also a mix of market dynamics and trends. To differentiate yourself, you might also want to choose your specific niche.

For instance, to decide which niche to focus into IT, one of the highest growing industries in 2022-24, the highest hourly rates in 2022 were in:

- SAP (SAP FICO, ABAP, MM consultant, etc.),
- Management & IT consulting (PMP, Scrum Master, etc),
- IT infrastructure (DBA, DevOps, Network Admin, etc.)

IT Freelancers Hourly Rates by the Area of Expertise (2022) (DACH Region)



As a result, specializing in one industry or area of expertise can be highly profitable, especially for the market niches which show high growth rates and upward trends in the future.

Dimension #3: Client and Project Types

In the consulting industry, the relationship between specialization and clients size often aligns with the complexity and specificity of the clients' needs.

- Typically, **startups and SMEs often seek consultants who can address a broad range of issues**, as processes are less structured, and they have more limited budget. Thus, they want to hire **generalists who can manage multiple tasks and that can pivot as their needs evolve**. However, this is extremely dependent on the type of project: if they need, for instance, a programming expert to solve a problem within their CRM systems, then a specialized advisor would be the correct solution.
- On the other hand, **Large Clients (>5000 employees) often require consulting services that address complex and niche-specific challenges**, thus prefer specialists that can provide highly detailed and technical solutions critical for high stakes mergers, as M&As, digital transformation, regulatory compliance. However, **for large scale restructuring, large clients typically hire also generalists consultants**, to read the problem in the big picture and from a cross-functional perspective.



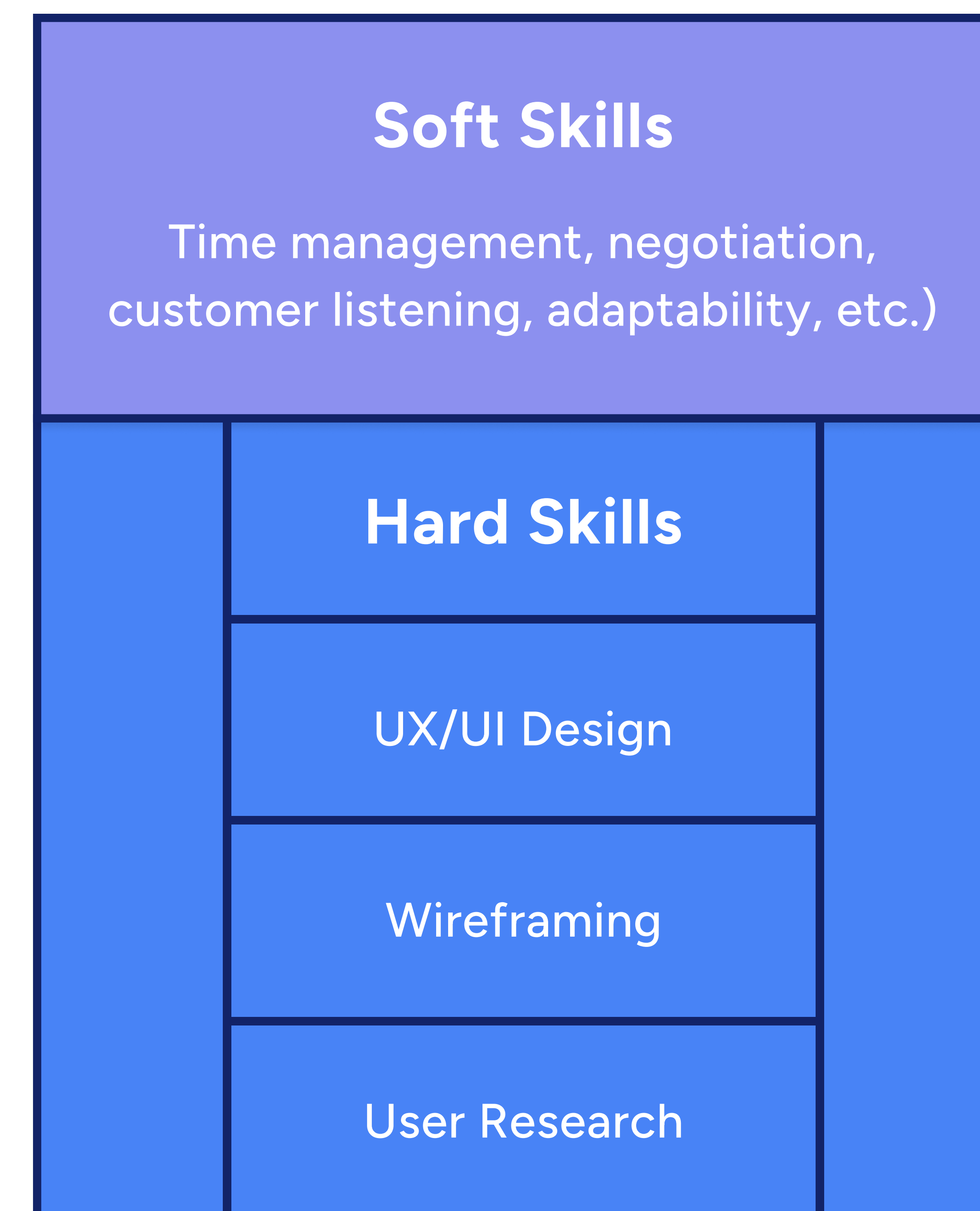
According to studies of [Bellevue Consulting](#), this choice is also a function of the level of specialization and maturity of the industry. For instance, **companies with highly specialized roles, like law firms or medical practices**, typically require structured roles and collaboration early on because their employees work independently within narrowly defined skill sets. Thus, they might require **highly specialized consultants** on the matter, regarding of the size.

Recommendations: Developing T-Shaped Skills

The Importance of T-Shaped Skill Sets

As we already mentioned, both specialized and generalists consultants offer unique strengths and cater to different client needs. The market attractiveness of the two is different and, while it is true that specialized consultants tend to impose higher rates to a clearly defined target, it is also true that some projects may require a holistic approach to address complex cross-functional issues.

A technical expert, for instance, is not a business expert, and while organizations build their teams through the right mix of generalists and specialists within each function, **a freelance consultant should develop the right skill sets to be both agile and responsive with specialized knowledge in one or two particular areas. Successful freelancers are so-called T-shaped professionals.** You should have a broad spectrum of organizational and people skills paired with a “depth” of hard skills.

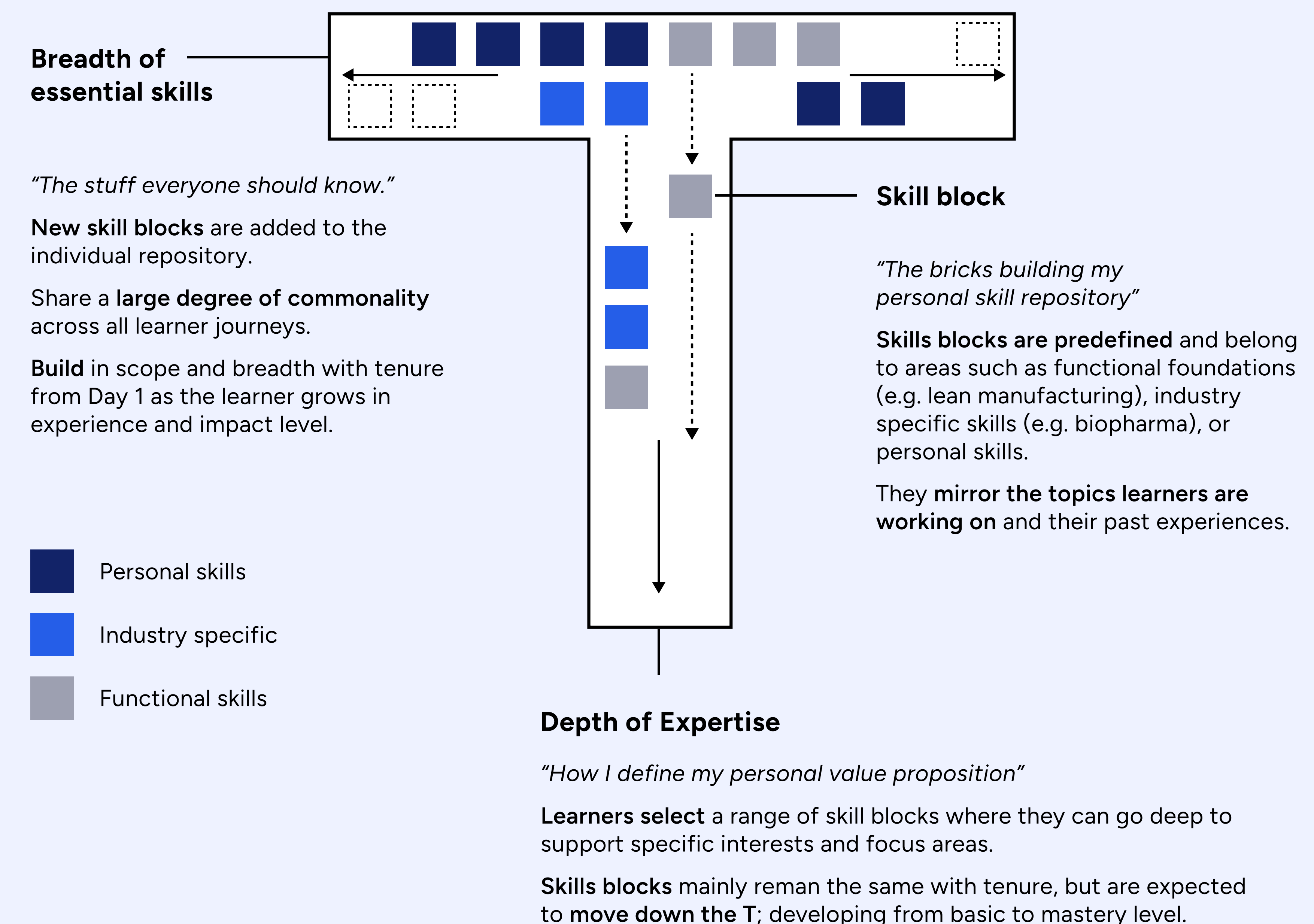


Additionally, most freelancers have (or develop) general business acumen skills. **Business acumen** is the ability to **understand how different organizations operate**, combined with the experience of operating a solo business. Thus, if you are a specialized consultant in a technical field, you will still need to develop skills as Operational planning, Business analysis, Cash flow management, etc.

As reported by McKinsey, for any given role, some skill requirements are **universal**, as being comfortable working with data, having an analytical mindset, and so on. Beyond those basics, however, people want to develop a **deeper understanding of topics that allow them to make a real difference in their job**, as the application of machine learning to optimize a specific industrial process, or how to design in sustainability into products and services.

Unique and personalized T-profile with relevant skill blocks

Every learner builds a unique, personalized T-profile with relevant skill blocks.



The results a T-shaped skills profile, with a **broad set of generally applicable skills, supplemented by a spike of specific expertise**. An effective capability program must be able to deliver both sets of skills, and the business needs to keep track of where those spikes of specialist knowledge are within its workforce.

Thus, defining a relevant T-profile means having a **broad set of essential personal, soft skills and functional skills**, then developing a **deeper expertise in some functional and industry-specific skills**. In this way, the two 'skill areas' of generalists and specialists are meeting each other, in a more complete profile which takes the best from the two and could lead to potential gains.

Benefits of Being T-Shaped

Deep Expertise and Broad Knowledge

T-shaped consultants possess deep expertise in their primary discipline, which allows them to make significant contributions to their specialty. The broad knowledge across other fields enables them to understand and integrate different perspectives and approaches.

Enhanced Collaboration

With their ability to speak the language of various disciplines, T-shaped professionals facilitate better communication and teamwork across departments. This capability is crucial in solving complex problems that require interdisciplinary approaches.

Flexibility and Adaptability

The broad skill set of T-shaped individuals makes them more adaptable to changes and capable of taking on diverse organizational roles. This flexibility is a valuable asset in today's fast-paced business environment.

Innovation and Creativity

The intersection of deep expertise and broad knowledge fosters an environment where innovation and creativity flourish. T-shaped individuals often bring unique solutions to the table, combining their specialized knowledge with insights from other fields.



3 Steps to Develop Your T-Shaped Skills

As a T-shaped person, you're both a specialist and a generalist, meaning that there's likely one area you're an expert in and several topics you understand relatively well. To build your T-shaped skills profile, begin with the area or a few areas where you're an expert, and then consider the hard or technical skills that highlight your strengths.

Identify Your Core Specialization

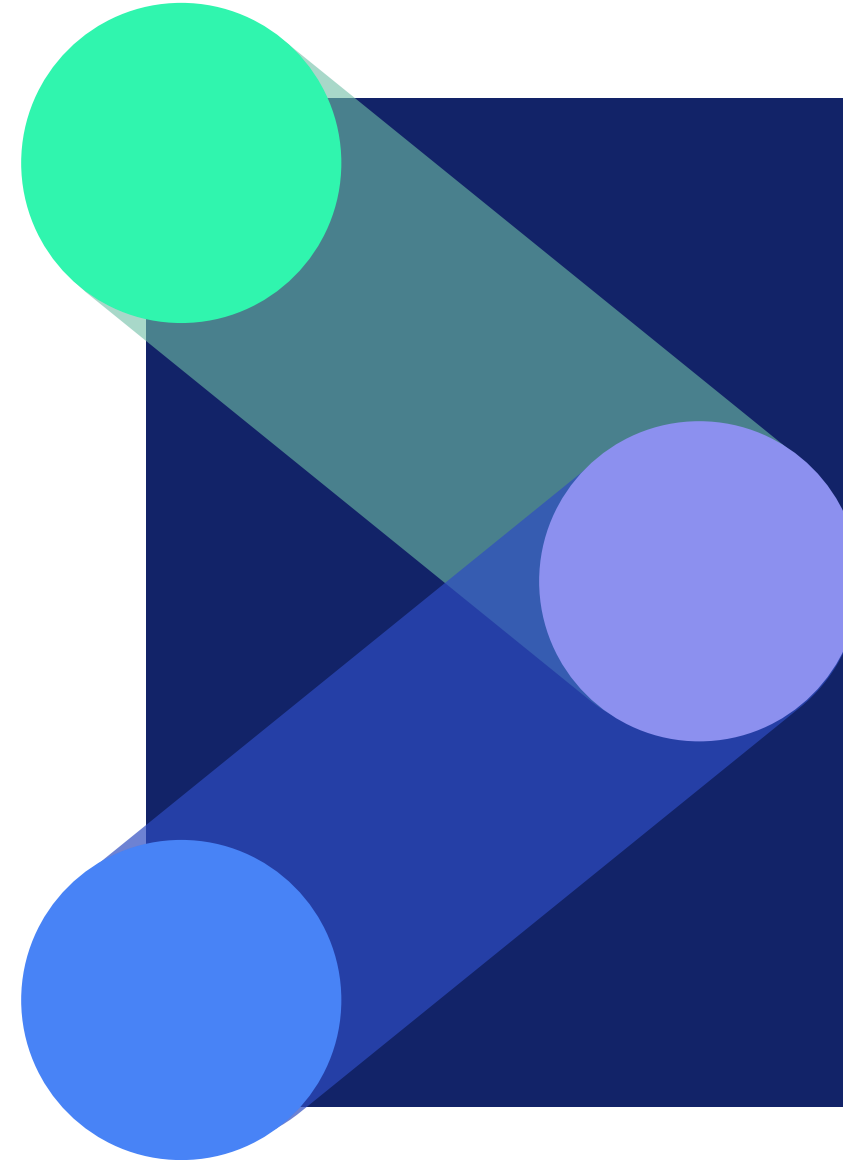
- Choose a Specialization: Identify the area where you have/want to develop deep expertise. This could be a specific technical skill, a particular role within your industry.
- Engage in Continuous Learning: Invest time in gaining in-depth knowledge and skills in your chosen area. This can include formal education, certifications, projects on the topic.
- Seek Feedback and Mentorship: Regularly seek feedback from peers, mentors, and industry professionals to refine your skills. If you already are an experienced consultant which want to enhance a particular skills, connections are crucial.

Expand Your Skills Set Horizontally

- Identify and explore related fields or skills that complement your core expertise.
- Engaging in cross-disciplinary projects, attending workshops, and pursuing interests outside one's primary field can help broaden one's skill set.
- Participate in cross-functional teams or projects to gain exposure to diverse perspectives and areas of expertise.
- Stay curious: Cultivate a mindset of curiosity and openness to new ideas. Stay updated with industry trends, emerging technologies, and innovations in other fields.

Integrate your skills and develop your value proposition

- Connect the Dots: Regularly reflect on how your deep expertise and broad knowledge can be integrated, use your combined knowledge to solve complex projects, applying in different fields.
- Develop your own personal framework: create a framework or model to integrate your knowledge. Articulate your value proposition, clearly communicating your depth of expertise and the breadth of your knowledge, highlighting how your unique combination of skills can contribute to your client.
- Define your target: define which clients are your primary target, and tailor your value proposition to them. Reach your target through Online Platform, such as Consultport.



At Consultport, we value both generalists and specialists for their unique contributions and capabilities. If you're a freelance consultant who has worked with top-tier consulting firms, either as a generalist or as a specialist, get in touch with us.

Conclusion: How to Drive Success in the Freelance Market

In the freelance consulting world, the debate between generalization and specialization is ongoing, with each path offering distinct advantages and challenges. Generalists thrive on their ability to adapt, offering versatile solutions across various industries and project types. On the other hand, specialists command higher rates and are sought after for their deep, targeted expertise. They build strong personal brands and maintain long-term client relationships due to their niche focus.

Evidence shows that, on average, specialists command 20-30% higher rates than generalists, but they appeal only to a specific niche. On the other hand, there is generally a higher demand for generalists across the consulting industry, especially in complex cross-functional projects that require a strong understanding of all departments. However, they suffer both the competition of generalists, and the competition of specialists in a specific niche, thus their market appeal is lower.

The key to success in freelance consulting may lie in the development of T-shaped skills, combining the depth of specialization with the breadth of generalization. This balanced approach allows consultants to offer comprehensive solutions while maintaining a competitive edge in their area of expertise. By identifying a core specialization, expanding their skill set horizontally, and integrating these capabilities into a coherent value proposition, consultants can navigate the dynamic freelance market effectively.



If you want to learn more about how to succeed in freelance consulting in 2024, download our [Freelance Consulting Guide 2024](#).

About Consultport

Consultport – one global platform to help organizations advance their most critical projects, better and faster than ever before – on a global scale.

Since its start in 2018, Consultport has grown to over 10,000 highly selected consultants from over 50 countries, and hundreds of international companies using our platform on a daily basis to find and book consultants, digital experts, and interim managers, for their projects.

Our mission is to build the world's leading platform where companies and consultants succeed. Together.

As such, we aim to provide not only access to the world's best consultants, but also a source of inspiration, a place to continuously learn and develop consulting skills, and access to most advanced digital tools to help companies and consultants to succeed with their projects.

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