Good afternoon, ladies and gentlemen. Welcome to Huron Consulting Group’s webcast to discuss the financial results for the second quarter 2015.

As a reminder, this conference call is being recorded. Before we begin, I would like to point all of you to the disclosure at the end of the Company’s news release for information about the forward-looking statements that may be discussed on this call. The news release is posted on Huron’s website. Please review the information, along with the filings with the SEC, for a disclosure of factors that may impact subjects discussed in this afternoon’s webcast. The Company will be discussing one or more non-GAAP financial measures. Please look at the earnings release on Huron’s website for all the disclosures required by the SEC including reconciliation to the most comparable GAAP numbers. And now I’d like to turn the call over to Mr. Jim Roth, Chief Executive Officer and President of Huron Consulting Group. Mr. Roth, please go ahead.

Jim Roth - Huron Consulting Group Inc. - CEO & President

Thank you. Good afternoon, and welcome to Huron Consulting Group’s second quarter 2015 earnings call. With me today is Mark Hussey, our Chief Operating Officer and Chief Financial Officer. Our second quarter results showed strong improvement over the first quarter for all of our segments, with two of our practices, Education and Life Sciences and Business Advisory, achieving record revenue.

Since I began my tenure as CEO six years ago, all of our businesses have experienced peaks and valleys. What has remained constant throughout this time is the underlying demand for the services that we offer in our core markets. Today, whether the result of fundamental changes in the business model, such as in healthcare and education, or more broad-based demand such as in legal and business advisory, significant changes in our clients’ markets continue to present us with strong possibilities for growth and lead me to remain confident about our prospects for achieving our long-term growth objectives. While we narrowed our EPS guidance toward the higher end of our initial range this quarter, we also lowered our revenue guidance, primarily due to uncertainties over the timing of legacy healthcare revenues and the lack of visibility in our Legal segment.

Before I provide color on each of our businesses, I wanted to discuss the two primary reasons for our revenue guidance adjustments. First, our legacy Healthcare practice has had slightly negative growth in the past few quarters as we have cycled through tough comparisons against a strong first half of 2014. As I indicated at the end of the first quarter, I don’t believe this is reflective of any long-term trends in demand for our Healthcare business. The larger projects we have been discussing over recent quarters are all underway, but the timing of some of the revenue associated
with those projects is taking a little longer to materialize than we had anticipated. The complexity and level of coordination that is required by hospital leadership to position our work for success at their institutions simply takes time. Although some of the revenue that we had initially thought would be generated during this year may now slip into 2016, we are better positioned for success when the timing and environment are right for our clients.

With respect to Legal, our second quarter was much improved over the first quarter and we continue to see demand, especially transactional demand. While we believe that the remainder of the year could be more reflective of the second quarter than the first quarter, the lack of visibility is a continual challenge in this practice. I take comfort that our team is incredibly well respected in the market and that they continue to obtain new work from blue chip clients.

Now, let me provide some color on each of our segments and the primary drivers in our core markets and then I will turn it over to Mark so he can walk you through the financials.

I’ll begin with Healthcare. Studer Group had a strong quarter, its first full quarter with Huron, and they achieved a 22% increase in revenues versus the same quarter in 2014. They are a remarkably talented group of people and have continued to expand into new clients and have increased the size of some projects, particularly among larger health systems. The legacy healthcare business turned in a notable improvement over first quarter results, consistent with our expectations that 2015 would be more back-end loaded. Utilization improved in the second quarter to almost 76% and steadily increased throughout the quarter. We believe our utilization will continue to strengthen during the second half of the year and should result in a full year average closer to the high-70s, similar to what we experienced in this practice in 2014.

There remain some uncertainties over the timing of projects, but we are confident in our core markets and continue to see solid demand for our services. The issue of timing is important, so I want to provide some clarity. Large health systems and academic medical centers have far more moving parts than a standalone hospital. And so while the issues that they face are more complex, they are also perfectly aligned with Huron’s core competencies. There will be occasions such as we are seeing now where the complexity of the multi-hospital, multi-mission environment creates delays. But we strongly believe that those delays are a small price to pay for the opportunities that result from such assignments.

I’ve spent considerable time over the past several months visiting current and potential hospital clients. During these visits, I heard recurring themes from hospital leadership about the challenges facing the provider industry, such as addressing the need to coordinate care among recently consolidated hospitals, concerns over the costs associated with treating newly insured patients and ongoing uncertainties over reimbursements. Although some hospitals are seeing improved cash positions and margin expansion, most hospitals agree that the cost side of the equation still requires substantial improvement and that the transition to value based billing will be long and arduous. This is particularly true within our core markets, including large health systems and academic medical centers. The issue of improving quality while reducing costs remains acute, and we expect the demand for our services, particularly among the large, more complex institutions, to remain strong for many years to come.

Our Education and Life Sciences, or ELS segment, reported another quarter of record performance. The Education practice continued to see strong demand across all of our service lines in the second quarter. This practice is clearly in a strong growth mode and we continue to expand emerging service lines into a widening client base. Our higher education clients remain pressured by the need to improve quality and reduce costs with many similarities to the healthcare market. With uncertainty around government support for research, the evolution of curriculum delivery models and the need to place more emphasis on student success, our clients are turning to us to help them achieve their strategic and operational goals in order to best position them in an increasingly competitive environment. Also similar to healthcare, we expect these industry transitions to persist for the foreseeable future, driving solid demand for our services.

Our Life Sciences practice also achieved strong performance in the second quarter, driven by new client wins and project expansion at current clients due to our focused key account strategy. Our Life Sciences revenues grew over 25% versus the prior year period, and the practice continues to see significant demand for our strategy and compliance services. We have seen an increase in demand driven by our clients’ need for support of their efforts during acquisitions and product launches and the requirements driven by U.S. and global regulations related to our clients’ interactions with healthcare professionals.
Turning to our Legal segment, Legal continued to improve over recent results. The segment achieved sequential revenue growth of 18.5% versus Q1 2015, and we are seeing the benefits of our Q1 restructuring efforts in our increased sequential operating margin. As we mentioned before, this business does not allow for much visibility, which makes it difficult to extrapolate strong or weak results very far into the future. We remain encouraged by the pickup in market demand, including transactional work, which we saw in the first half of 2015.

Finally, our Business Advisory segment had another strong quarter of growth as both practices in this segment, our legacy Business Advisory practice and our Enterprise Performance Management and Analytics, or EPM&A practice, attained record results during the period. Our legacy Business Advisory practice continued to perform well, achieving another quarter of high utilization and a record level of success fees. Demand for our financial advisory and turnaround services remained strong throughout the quarter, as did demand for our broker dealer offering which enables us to participate in financing transactions in a more meaningful way than we have traditionally.

Our EPM&A practice turned in a solid quarter. Demand across our services in this practice remains robust as our clients look for new ways to achieve financial and operational efficiencies through implementation of on-premise or cloud-based technology solutions. This practice also has won a number of large projects from some prominent clients, further enhancing our growing reputation for these services.

We are excited about our recent acquisition of Rittman Mead, India. With similar cultures and a similar approach to addressing client needs, we have found a terrific business partner which, together with our EPM&A practice, will address the evolving needs of our clients by adding remote delivery capabilities to current service offerings, as well as by expanding our presence in India.

Let me now turn my attention to our 2015 guidance. As our press release indicates, we are lowering our annual guidance to $870 million to $900 million, while narrowing our adjusted earnings per share guidance to $3.80 to $4.00, representing the higher end of our previously stated range. We are reaffirming our performance based fee guidance of $65 million to $80 million.

Our businesses continue to build momentum, and we expect the third and fourth quarters will continue to show successive improvement over Q2. We are building a solid backlog into 2016, and I believe that Huron is very well positioned to achieve our Company-wide growth targets. Now, let me turn it over to Mark for a more detailed discussion of our financial results. Mark?

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

Thanks, Jim, and good afternoon, everyone. Before I begin, please note that I’ll be discussing non-GAAP financial measures such as EBITDA, adjusted EBITDA, adjusted net income, and adjusted EPS. Our press release website and 10-Q each have reconciliations of these non-GAAP measures to the most comparable GAAP measures along with a discussion of why management uses these non-GAAP measures.

Also, our acquisitions of Sky Analytics and Studer Group which closed in January and February, respectively, are included in our second quarter financial results. Sky Analytics is included within our Legal segment and Studer Group is included in our Healthcare segment. Our acquisition of Rittman Mead India closed effective July 1, so our Q2 financial results do not include this acquisition. Their results, which are not material, will be included within our Huron Business Advisory segment beginning in the third quarter. Now let me walk you through some of the key financial results for the quarter.

Revenues for the second quarter of 2015 were $223.6 million, up 6.8% from $209.4 million in the same quarter of 2014. Revenues for the second quarter of 2015 reflect our acquisitions of Vonlay, Threshold Consulting, Sky Analytics, and Studer Group, which in the aggregate generated $25.7 million of incremental revenues, representing 11.5% of total revenue in Q2. The year-over-year increase in revenue is primarily attributable to our acquisition of Studer Group, and as Jim mentioned, record quarterly performance in our Education and Life Sciences and Business Advisory segments.

Operating income increased $2.1 million, or 6.1% to $36.1 million in Q2 2015 from $34 million in Q2 of 2014. Operating income margin was 16.1% in Q2 2015 compared to 16.2% in Q2 of 2014. Adjusted EBITDA was $51.4 million in Q2 2015, or 23% of revenues compared to $42.2 million in Q2 of 2014, or 20.1% of revenues.
Net income was $18.8 million, or $0.83 per diluted share in the second quarter of 2015 compared to $19.9 million, or $0.86 per diluted share in the same quarter last year. Adjusted non-GAAP net income was $25.9 million, or $1.14 per diluted share in the second quarter of 2015 compared to $22.0 million, or $0.95 per diluted share in the same period of 2014.

Our effective income tax rate in the second quarter of 2015 was 40.2% compared to 38.9% a year ago. The increase in effective tax rates between periods is primarily due to an increased blended state income tax rate in certain nondeductible business expenses.

Now I'll make a few comments about the performance of each of our operating segments. The Healthcare segment generated 53% of total Company revenues during the second quarter of 2015. The segment posted revenues of $118.5 million for the second quarter of 2015, up $17.5 million, or 17.4% from the second quarter of 2014. Revenues for the second quarter of 2015 included $25.3 million of incremental revenues from our acquisitions of Vonlay and Studer Group, which closed in mid-February. Excluding Vonlay and Studer Group, revenue decreased 7.6% compared to the year-ago quarter, primarily due to a reduction in performance-based fees of $3.5 million versus the prior year quarter and lower run rate revenues primarily related to project timing.

As expected, our legacy healthcare business gained momentum during the quarter as new projects began to ramp up. As we've discussed on previous calls, we expected the Healthcare segment to have a slower start to the year primarily related to project timing and transitions. Some assessments that began in Q3 of 2014 took longer to transition to new engagements than we anticipated as these projects are more significant and complex than we have traditionally seen. Utilization was 75.8% in the second quarter, improving over the first quarter and ramping up throughout the quarter. We continue to expect the full year utilization for this business to average in the high-70s as resources are deployed on projects that are currently underway or that we expect to ramp up in future quarters. Performance-based fees in Q2 2015 were $16.3 million compared to $19.8 million in the same quarter last year. And as we've said on many occasions, the timing of performance-based fees can vary significantly. They're not driven by a seasonal pattern, but rather the mix of engagements at any point in time. Our full year expectation for the range of performance-based fees remains unchanged at $65 million to $80 million.

Operating income margin for Huron Healthcare was 38.4% for Q2 2015 compared to 38.1% for the same quarter in 2014. The increase in margin was primarily due to a decrease in bonus expense, partially offset by increases in salaries and related expenses and intangible asset amortization as a percentage of revenues. Studer Group's solid start continued into the second quarter as they achieved strong performance. We originally anticipated Studer Group's 2015 revenue contribution from the date of acquisition to be $70 million to $75 million, and we are now expecting 2015 revenue from Studer Group will be approximately $80 million.

The Education and Life Sciences segment generated 19% of total Company revenues during the second quarter of 2015. The segment posted revenues of $42.9 million in Q2 2015, an increase of 13.8% compared to revenues for Q2 2014 of $37.7 million. As Jim noted, the increase in revenue during the quarter was driven by strong demand across all service lines within the Education and Life Sciences practices. The operating income margin for Huron Education and Life Sciences was 30.7% for Q2 2015 compared to 30.8% for the same quarter in 2014. Operating margin remained relatively flat quarter-over-quarter, which is primarily attributable to an increase in utilization and bill rate due to favorable mix, partially offset by an increase in bonus expense.

We also continued to invest in our Workday capabilities in the quarter and have seen an increasing level of activity on this important growth initiative. For the quarter, operating margin for this segment was reduced by approximately 150 basis points by our Workday investment.

Our Legal segment generated 18% of total Company revenues in the second quarter. The segment posted revenues of $39.6 million in Q2 2015 compared to $53.3 million in Q2 of 2014. Revenues increased 18.5% sequentially over Q1 2015 revenues of $33.4 million, primarily due to increased transactional work in the quarter. The operating income margin for Huron Legal was 26.0% in the second quarter of 2015 compared to 29.6% in the same quarter of 2014. The decline in margin was largely driven by the reduction in revenue relative to our base of costs, partially offset by the margin benefit from our restructuring efforts in Q1.

The Business Advisory segment generated 10% of total Company revenues in the second quarter. The segment posted revenues of $22.2 million for the second quarter of 2015, an increase of 33.9% compared to $16.6 million in Q2 of 2014. Both our legacy Business Advisory and EPM and Analytics practices achieved record-breaking performance in the quarter. The operating income margin for Huron Business Advisory was 30.1%
for Q2 2015 compared to 30.9% for the same quarter in 2014. I'd like to remind everyone that the EPM&A practice typically has lower margins than that of the business advisory practice. As the EPM&A practice continues to grow at a somewhat faster pace than the legacy business advisory practice, the blended margin may decline slightly over time.

Other corporate expenses not allocated at the segment level were $30.1 million in Q2 2015 compared to $30.2 million in Q2 of 2014. Approximately $3.1 million of Studer Group's costs are included in unallocated G&A as these activities are consistent with other corporate activities.

Now, turning to the balance sheet and cash flows. DSO came in at 71 days for the second quarter of 2015, a decrease of 18 days compared to the first quarter DSO of 89 days. We had noted the increase in DSO at the end of Q1 was primarily related to the timing of cash collections, which were quite strong during the second quarter. Total debt includes both $250 million face value of convertible notes and $251.3 million in senior bank debt for total debt of $501.3 million. We finished the quarter with cash of $16.8 million for net debt of 484.5 million, a reduction of $42.1 million compared to net debt of $526.6 million as of the March quarter. We ended Q2 2015 with a leverage ratio, adjusted for Studer Group's LTM EBITDA, of approximately 3.15 times.

During the quarter, we repurchased $13.5 million of Company stock at an average price of approximately $62 per share, or 217,000 shares. Cash provided by operating activities for the quarter, $60.5 million, and we continue to expect free cash flow for the full year of approximately $125 million. Finally, as Jim mentioned, we're updating our annual revenue guidance to $870 million to $900 million and narrowing our annual earnings guidance for adjusted EPS to $3.80 to $4.00 per share. And with that, I would now like to open up the call to questions. Operator?

Q U E S T I O N S  A N D  A N S W E R S

Operator
Thank you.

(Operator Instructions)

Our first question comes from Tim McHugh of William Blair. Your line is open.

Tim McHugh - William Blair & Company - Analyst

Thank you. First, I guess I wanted to ask about the healthcare business, I guess the core business. You talked about, you've ramped up or I think you said you started on all the kind of the larger projects that you've talked about in the past. I guess I just wanted to confirm that. And I guess as you started on this, other than, I guess, it probably taking longer than you might have expected at first, is there anything that changes your view of the potential size of these transactions or opportunities for Huron over the life cycle of them?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Tim, this is Jim. Yes, we have started as we had expected, we've started on all three, and we're making progress. As we indicated, there are some of them just take a little bit longer, not all of them, but some of them do, and I think it's -- I guess the part that we really want to try to emphasize here is that it has nothing to do with the size of the projects that takes longer, at least not necessarily. These are just complicated organizations to try to work into, and what drives the complexity is the multi-mission of academics, research and clinical care. And you put all three of them together in a structure that typically exists in that kind of environment, and it just takes some time. It's really that simple.

But I think what is attractive to us is not only helping our clients work within those complexities, because it's something that we really uniquely have at Huron, in terms of our ability to really understand the academic medicine, the research component, and obviously the clinical component as well. And you put all that together, I think we're uniquely capable of helping them through some very difficult times. Many of these places tend
to be higher-cost providers, and they are doing so in an environment that doesn't necessarily reward being a higher cost, despite the benefit that they provide from the multiple missions. So there really has no impact whatsoever in terms of the size of these. I think we're just having to be patient with our clients, which is really important for them, because they are organizationally much more complex, and we're going to be far more successful with them and for them if we enable these projects to proceed at their pace, not ours.

**Tim McHugh** - William Blair & Company - Analyst

Okay. Thank you. And I guess where are you at in terms of the pipeline? It's one thing, I guess, these large practices seem great and they're going to help you, I guess, but update us on if it's taking a little longer? Should these things continue through 2016, and what's the potential for additional work to come in, or some of these other large projects? Are there any opportunities in the pipeline that suggest this is more than just a few one-off cases, but rather a trend?

**Jim Roth** - Huron Consulting Group Inc. - CEO & President

So I think some of the projects that we're working on now will go past 2016, actually, and yes, there are others that are at least in various stages. You say pipeline, that can be a variety of things, but there are certainly a number of organizations that have contacted us about potentially assisting, that could as we said last -- at the end of the first quarter, we expect there to be more of these for the same reason that we've been outlining right now. I think there will be more.

How they evolve is hard to describe right now, hard to tell, but I think once they start, because of the size and complexity, they're typically going to be lasting pretty far in excess of what we used to consider to be a norm for a larger project, which would be 15 to 24 months. I'd say some of these are going to have tails that will go beyond that.

**Tim McHugh** - William Blair & Company - Analyst

Okay. Last question, just the guidance change, I guess if you brought down revenue what changed in terms of the expense or margin assumptions, that made you bring up the EPS guidance?

**Mark Hussey** - Huron Consulting Group Inc. - CFO & COO

Tim, I think what we're finding is that we're -- in some of the areas of the business that are stronger, the utilization is an example, you see some margins in the ELS segment that are higher than we thought, even with respect to offsetting some of the Workday investment. I think you've got a very favorable mix in business advisory right now, with some of the contingent fees or the success fees that we've been able to have. And I would just say collectively, continuing to have margin improvement across the business has been just an ongoing commitment for us. And so, I think you're just seeing collectively the ability to end up at the upper end of what we're expecting to be able to deliver for the year.

**Tim McHugh** - William Blair & Company - Analyst

Okay. Thank you.

**Operator**

Thank you. Our next question comes from Paul Ginocchio of Deutsche Bank. Your line is open.
Paul Ginocchio - Deutsche Bank - Analyst

Great. You talked about some lower visibility in legal. Is it any lower than normal right now, or is that particularly the same? And then I don't know if I missed it in Tim’s question or not, but are you able to give us a total size of these three projects? I know you talked about going longer, but any way to size them, the total revenue opportunity from all three combined? Thanks.

Jim Roth - Huron Consulting Group Inc. - CEO & President

Paul, this is Jim. In terms of legal, there’s really no change in terms of the visibility. It’s always been relatively low. We take a fair amount of comfort in the sense that the diversification of the client base has increased, which helps a lot.

But I think just the transactional nature of most of the business that they have within that segment just never gives us much visibility. And it’s just certainly something we've learned to work with. But there's no -- there's been no material change at all in terms of visibility, it's just never been great. We've known that for a long period of time, but no change at all.

In terms of the size of the project, we really have not disclosed those. I'm not sure that it would be appropriate, number one. And number two, some of them are continuing to evolve, and they will still evolve, even I suspect, a year from now as new factors come up at the client. We have not disclosed the size of those projects.

Paul Ginocchio - Deutsche Bank - Analyst

Maybe ask it another way. Are they twice as big as normal projects, or even bigger than that? Can you give us a multiple, if possible? Thanks.

Jim Roth - Huron Consulting Group Inc. - CEO & President

I don't want to get into multiple, but I think they're much larger than -- much larger than what we have traditionally said are our average-size projects.

Paul Ginocchio - Deutsche Bank - Analyst

Final one if I could on these. Are they more fee-based or contingent? Is there any difference -- I don't know if you can disclose this, in the margin profile of these bigger projects, would they look like your typical projects? Thanks.

Jim Roth - Huron Consulting Group Inc. - CEO & President

They're a mix. Like always. I shouldn't say like always. These are a mix. Each of them has their own patterns right now. So there's a mix of fee -- of fixed fee and contingent.

I do think we've seen a slight trend toward having more fixed fee than contingent in some of our recent projects, and again, I'm not sure that -- we've seen that ebb and flow over time as well. For now, that's where it is right now. I think the bigger ones tend to be a mixture. They're not all fixed fee. They're not all contingent.

Paul Ginocchio - Deutsche Bank - Analyst

Go ahead.
Mark Hussey - Huron Consulting Group Inc. - CFO & COO

To your question on margin profile, I would say they're in the same range that we would normally be looking at our businesses.

Paul Ginocchio - Deutsche Bank - Analyst

Thank you.

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

Yes.

Operator

Thank you. Our next question comes from Tobey Sommer of SunTrust. Your line is open.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

Thank you. One more question on the large projects from me. The complexity and kind of the patience that you've had to make sure that you can get into these customers and be effective from the onset, is there a chance that throughout the life cycle of the projects, you're going to have to pause for the customer to figure out exactly how to apply your resources, or is this something you expect to be more front-end loaded in terms of dealing with the complexity of the organization, and the multi-mission, as you stated?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Tobey, this is Jim. I think that is going to depend on every project. I think once we -- my sense is that if there's going to be delays, most, not all, but most will probably occur toward the beginning part of a project, when the sheer mobilization needs to take place within the client.

And also just the -- these are large -- they have got pretty aggressive objectives, the clients do, and to undertake those aggressive objectives just requires a lot of internal coordination on their part. I think once that's in place, I think they're probably going to progress reasonably well. So I think that there's going to be delays, more often than not, they're going to be the beginning. That's not to say we couldn't have something mid-stream if something else comes up, but because they do take place over a longer period of time, but I would say most of the delays would be probably toward the front end.

Tobey Sommer - SunTrust Robinson Humphrey - Analyst

Thanks. You bought back some stock in 2Q. In 3Q, have you repurchased some shares, and what's the -- any update you could give us on capital deployment for the balance of the year? Thanks.

Jim Roth - Huron Consulting Group Inc. - CEO & President

We don't comment on whether we're going to be in the market or not, and so -- but I would tell you, capital deployment still ends up being the same as it's been for us, which the default will be debt reduction, we'll continue to look opportunistically at share repurchases, and then we continue to look for opportunities to grow the business through acquisitions that we think will fit us strategically, financially and culturally.
In your comments, Mark, you mentioned the slightly lower bonus accrual in 2Q in the education segment. Is there a way to quantify what sort of EPS benefit that might have been in the quarter?

Yes, so let me make a broader comment. First of all, actually bonus accrual was higher in education in Q2.

Excuse me, I meant health.

In healthcare, so yes, in healthcare, I think is what you’re probably alluding to. So last year, if you -- as a general statement, we accrue our bonus at the midpoint of annual guidance and last year after Q2, we had a pretty substantial raise, given the front end loaded half of the year.

And so this year’s Q2 is up against a pretty tough comparison to the year ago. So the favorability is much more driven by the fact that last year’s Q2 had a pretty sizable catch-up. If you look sequentially in 2015, we actually had more bonus expense in Q2 than we did in Q1 as a Company, and in healthcare, while it was a little bit less, it was probably less -- it was probably 90 basis points of the margin delta from Q1 to Q2.

Okay. And Jim, in the education business, what -- are you seeing the size of projects escalate in that segment as well? And if you’re not yet, do you expect the size of projects to increase maybe going out a little farther in the quarter, than you’re talking about today?

Tobey, I think we have seen an increase. How material it is, it’s kind of hard to say, but I think we certainly have had some fairly large assignments that have come our way over the last year or so. And I think again, for similar reasons that we’ve talked about in healthcare, the complexity of the issues that our clients are facing in education are pretty significant, and they, too, are going to probably lead toward bigger projects for us. So I think the answer is yes, we are seeing larger projects. I do think that we will continue to see larger projects in the coming years, as well.

Thank you.

Thank you. Our next question comes from Randy Reece of Avendale Partners. Your line is open.

Afternoon. Did you update your expectations for contingent fee revenue in 2015?
Mark Hussey - Huron Consulting Group Inc. - CFO & COO

Randy, we did reiterate that we continue to expect in the range of $65 million to $80 million for the full year.

Randy Reece - Avondale Partners - Analyst

That's a big range. Is there any difference in the contingent fee component of the revenue associated with projects you think could be push into next year? Is that a contingent fee issue, or is that a timing of effort issue?

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

I guess the answer is, it might be a little bit different for both. I think there's always an element of just timing, of when the things actually happen in terms of performance. And as you all know and I'll just remind you, it's tied to our ability to generate benefit, and have it recognized in the client's P&L. In some respects, sometimes these are milestone-based achievement as well, but collectively we believe that we've addressed that within the guidance range that we have right now. So if there is a push-out at this point, we think that it's more than likely we've taken that into consideration. Although -- so the mix might be a little bit different for the year, but -- Randy, does that answer your question?

Randy Reece - Avondale Partners - Analyst

Yes. I was wondering how I should interpret -- if I look at the last five quarters of your consulting headcount in healthcare, it's a downward trend and I'm wondering if your total labor mix is changing on projects, or if this is -- if there's some other way I should interpret, the way your headcount trend has been behaving?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Randy, this is Jim. I'm going to answer, try to answer the question, although I may not give you the answer that you're looking for, because of the following: I think probably the first time, maybe two years ago, we indicated that we had within our healthcare practice primarily, we had been working on trying to improve the efficiency of the delivery of our services, and put another way, what that really means is we were trying to do the same level of work more efficiently with fewer people. And so we have -- although we haven't talked about it much really over the past couple of years, it's been one of the issues that's caused there to be a little bit of confusion over trying to match revenue growth, our revenue expectations, and our headcount projections, particularly in healthcare. It's true across the Board, but it's particularly true in healthcare. That's part of what you're seeing right now.

I use revenue cycle as an example, which is a big part of our healthcare practice. I think we have gotten materially better at deploying our services and hitting our contracted targets for services with fewer people, and that leads us to be more efficient for our clients, more cost effective for our clients, and probably also leads to better margins for us. So that is something that's been under way for at least two years, and I think that's something that we're in the spirit of constantly trying to improve. I think it's something that we're always going to be looking at. So it's going to make it a little bit difficult to look at that headcount numbers and try to match it with growth rates, because we are trying to get improvement. I don't think that improvement's going to always be a straight line.

So that's the -- I guess the primary part of my response, Randy. The second part is that we also have gotten smarter in terms of our ability to bring on new headcount closer to the time the demand's actually going to hit. So part of what you may see is that you may not see a ramp-up in FTEs yet, but you'll see them as we believe that the revenue and work effort is going to require that headcount. So we're doing the best we can on both sides to manage that.
Thank you very much.

Operator

Thank you. Our next question comes from Kevin Steinke of Barrington Research. Your line is open.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Good afternoon. Just wanted to talk about the segment revenue growth outlooks that you gave at the -- near the beginning of 2015. Right now, it looks like education and life sciences and business advisory are both running ahead of your expectations in the first half of the year here. Any reason to expect that won't continue in the second half and for the full year, in terms of that outperformance?

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

So Kevin, let me make just some general comments about what's really somewhat inherent in the guidance ranges. So right now, starting with healthcare, I think when you look at the full year with the expectation, Studer being -- we've told you that we think we're going to be at $80 million, so taking that piece of it off the table, I think what you're seeing is an implied based on timing of these projects pushing a little bit into 2016. Probably going to be down kind of low single digit on legacy healthcare for the balance of -- on a full year basis, for 2015.

If you look at legal, I don't think we've really changed our guidance outlook, which was down mid-teens. I would say when you look at education and life sciences, you probably have some upside from what we originally talked to, probably high single or low double-digit percentages for the year, and again, I think in business advisory, I think where we were talking perhaps high teens for the year, I think we're probably talking upper 20s to maybe even 30% for 2015.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Okay. Great. That's helpful. And the increase in Studer guidance, what's driving that?

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

I think that they're having momentum in the marketplace. And as Jim mentioned, we're actually -- they're selling into some larger engagements than they have historically. So they just continue to have very strong momentum from the acquisition, and have continued that into the first four or five months that we've actually been working with them.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Fantastic. And then, I think you talked about it previously, the ramp-up of the Workday practice in the education segment beginning to contribute to revenue in the second half of 2015. Is that still the way we should think about it, or is it kind of on track with what you were thinking previously?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Kevin, this is Jim. I think we had indicated that we didn't expect much revenue in 2015. There could be some, we're not expecting a lot of it. I think we are expecting -- that practice really to play a much more significant role in 2016. We are doing very well in terms of ramping up there. We've actually increased the amount of investment that we've made, in terms of the number of people we expect to hire, due primarily to our perception of demand. And I think we are positioning ourselves extremely well for a nice beginning of some revenue in 2016 for that practice.
Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Okay. Great. Just one last kind of bigger-picture question here. As you see more of these large, complex projects in the pipeline within healthcare, what kind of lessons could you -- can you take away from these first few that you've worked through from the assessment phase to the start-up, as you work on how the timing might play out for future projects?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Kevin, this is Jim. That's a good question. I think we have learned a lot. The assessments go a little bit longer. The period of time between the completion of the assessment and the startup of the project is going to potentially take a little bit longer. And then the actual execution of the project itself could also take a little bit longer.

And I think as we've -- as we see these things, that certainly is something that we've learned, and I think we've already made adjustments to accommodate those things, those differences. I think it's really important to say that, as much as we'd like those patterns, those timing patterns to follow exactly like they always have in our practice, it's not in our clients' best interest and if that's the case, it's not in ours either. We appreciate the fact our clients really need to have the internal coordination to make this successful, and we'll be very patient along those lines. But I think we've already -- we understood these kind of larger, more complex projects better now than we did a year ago, and I expect that as other ones come along and we do expect other ones to come along, that we hopefully will be addressing those -- any potential gaps in a more -- perhaps like a more non-visible way, I guess is a better way of saying it.

Kevin Steinke - Barrington Research Associates, Inc. - Analyst

Okay. Great. Thanks for taking my questions.

Operator

Thank you.

(Operator Instructions)

Our next question comes from Michael Regan of Janney Montgomery Scott. Your line is open.

Joe Foresi - Janney Capital Markets - Analyst

It's Joe Foresi. I was curious, is there any way to gives us a numerical understanding of just how the change in average contract is in the healthcare side, or anything you can give us from a numerical standpoint to help us better understand what the change has been, and maybe compared to last year?

Jim Roth - Huron Consulting Group Inc. - CEO & President

Joe, this is Jim. We really can't -- we're really trying to avoid -- first of all, each project is going to be different. All we said is that the projects that we've been talking about are substantially larger than other ones. I understand why you'd love to have that information. Really it's something we prefer not to talk about, mostly for competitive reasons.

But I think what's more important is what's driving those larger projects, and that's the piece that I think really, we'd like everyone to focus on. And that is I think we are uniquely qualified as a firm to be addressing these large, complex engagements, both because of the experienced people
that we have, the number of people that we have, and probably more important than any of that is our history of delivering results to all our clients. I think we're glad we can address our clients' needs with these things, but we really would prefer not to be talking about specific numbers.

Joe Foresi - Janney Capital Markets - Analyst

Usually when there's ramps in businesses that are primarily headcount driven, you usually start to see that in the headcount, because you're obviously utilizing people. I know you talked about productivity improving on the healthcare side. But how are you addressing the larger contracts, I guess with similar headcount, rather than what would be intuitive, that headcount would go up, because you're looking to push the dial forward?

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

Joe, this is Mark. So if you look at Q2, what we talked about was at the beginning of the quarter, we saw an improvement and ramp-up in utilization. If you look toward the end of the quarter, utilization was much more in line with where we thought it needs to be, in terms of driving the margin outcomes that we want from the business. And so there's always a decision around hiring and margin, and so we knew coming out of Q1 and into Q2, our utilization was at a level that really didn't justify a lot of hiring in advance. And so now as these projects continue to ramp up, I would expect that hiring will also start to increase in the second half of the year.

Joe Foresi - Janney Capital Markets - Analyst

Okay. That's very helpful. And just lastly, and again, I'm not trying to get too granular with you, but is there any way you can help us understand the flow, as close as you can get us quarter to quarter, from a revenue perspective as we exit this year and into next year? I mean, is this back-end loaded in the sense that obviously we've got guidance in front of us, but we've got a 3Q and a 4Q and then we've got a 1 and a 2. So I'm just trying to get a sense of how that's going -- how the revenue's going to flow through those quarters, without getting obviously too granular. You may be seeing something different now that these large deals are in the pipeline.

Jim Roth - Huron Consulting Group Inc. - CEO & President

Joe, this is Jim. In 2014, we had a front-end loaded year. 2015 is going to be more back-end loaded. We don't know yet about 2016. If I had to guess, I'd say take it was going to be a little more evenly balanced across quarters than we've seen in 2014 or 2015.

Joe Foresi - Janney Capital Markets - Analyst

Okay. That's helpful. Thank you.

Mark Hussey - Huron Consulting Group Inc. - CFO & COO

Last comment I would just say it would be normal and would be our expectation that Q4 is going to be a stronger quarter than Q3. Just in terms of how the balance of the year would play out.

Joe Foresi - Janney Capital Markets - Analyst

Okay. Thank you.
Operator

Thank you, Mr. Roth, we have concluded the allotted time for this call. I would like to turn the conference back over to you.

Jim Roth - Huron Consulting Group Inc. - CEO & President

Thank you for spending time with us this afternoon. We look forward to speaking with you again in October, when we announce our third-quarter results. Good evening.

Operator

That concludes today's conference call. Thank you for everyone's participation.