

## EXCERPT

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### **IDC MarketScape: Worldwide Talent Related Business Consulting 2011 Vendor Analysis**

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#### IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC MarketScape: Worldwide Talent Related Business Consulting 2011 Vendor Analysis by Cushing Anderson (Doc # 229526). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, and Synopsis. Also included is Figure 1.

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#### **IDC OPINION**

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This IDC study presents a vendor assessment of the business consulting related to talent related activities in the format IDC calls IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the talent related business consulting market and help anticipate a particular vendor's ascendancy. This study assesses the capability and business strategy of the leading business consulting firms. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing talent related business consulting services during both the short and the long term. A significant component of this evaluation is the inclusion of the perception of business consulting buyers of the capabilities of these consulting providers. Key findings include:

- Overall, in spite of the spacing on the MarketScape graphic, all of the firms performed very well on this assessment.
  - IDC MarketScape Leaders, PwC and Deloitte, scored well not only in talent related elements but also on general consulting capabilities and characteristics, setting themselves apart from the other firms in the analysis.
  - As organizations seek help with talent related projects, consider firms that can best link talent related activities with operational and other business process improvement to ensure that the business functions better as a result of its talent related project.
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## **IN THIS STUDY**

This IDC study uses the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a firm's success in the marketplace and help anticipate its ascendancy.

This study assesses the capability and business strategy of many of the leading talent related business consulting firms. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing business consulting services during both the short and the long term. A significant component of this evaluation is the inclusion of the perception of business consulting buyers of the capabilities of these consulting providers. As one would expect of market leaders, overall, these firms performed very well on this assessment.

This study is composed of four key sections. The first is a definition or description of what characteristics IDC analysts believe make a successful strategy for a talent related business consulting firm. These characteristics are based on buyer and vendor surveys and key analysts' observations of industry best practices.

The second part is a visual aggregation of multiple firms into a single bubble-chart format. This display concisely displays the observed and quantified scores of the consulting providers.

The document continues with profiles and recommendations for each of the firms to support continued growth and improvement of these firms' offerings. It concludes with IDC's essential guidance.

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## **Methodology**

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific firms. IDC analysts tailor the range of standard characteristics by which firms in an industry are measured through structured discussions, surveys, and interviews with market leaders, participants, and end buyers. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual firm scores and ultimately firm positions on the IDC MarketScape, detailed surveys and interviews with the firms, publicly available information, and buyer experiences in an effort to provide an accurate and consistent assessment of each firm's characteristics, behavior, and capability.

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## **SITUATION OVERVIEW**

### **Introduction**

Generally, business consulting involves advisory and implementation services related to management issues. It involves defining an organization's strategy and goals and designing and implementing the structures and processes that help the organization reach its goals.

Organizational consulting focuses on the human dimension of business transformation. This includes helping executives align organizational elements with a new strategy. Organizational consulting contains several dimensions:

- ☒ **Human capital management:** Human capital management, including advice related to compensation, employee rewards and incentive programs, talent acquisition, and talent management and development planning
- ☒ **Health and benefits:** Designing or describing optimal employee health plans with providers
- ☒ **Mergers and acquisitions:** Assessing and proposing responses to issues relating to cultural fit, job type, employee transition, and so forth
- ☒ **Communication:** Strategies and tactics for disseminating corporate information to the employee population and collecting insight into employee attitudes, satisfaction, engagement, and other employee behaviors, interpreting that information

This assessment evaluated each consulting firm's capability to support the broadest range of consulting to help organizations maximize the value, alignment, and productivity of its employees. It evaluated the characteristics of each firm — as opposed to focusing on its size or the breadth of its services. It is conceivable that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the included firms. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

### ***Obstacles to Successful Talent Related Business Consulting Projects***

During the course of this research, IDC interviewed hundreds of clients and dozens of consulting providers. Several key themes emerged regarding the most common obstacles to successful consulting projects: scope, duration, organizational change, and resources.

#### **Scope**

To transformation organizations, projects must be bold but balanced. Projects sometimes fail to find synergies with other business areas. Enterprise leaders must connect the current initiatives with other relevant initiatives, both planned and in progress.

But sometimes entrenched silos often make successful transformation difficult. Bureaucratic or functional silos make important synergies difficult or impossible to access

In HR or talent related projects, it is also essential to focus on the right population to affect change. The impact of an initiative can be muted because the change was applied too broadly or not broadly enough.

## **Duration**

Related to scope is duration. Many projects take too long to get started or take too long to realize value. Some clients report that their consulting providers are unable (or unwilling) to move projects along an implementation curve. This may suggest that rapid or timely execution could be a useful selection criterion. Some projects could be designed to show value in a short timescale — 90-day results, 180-day results, and so forth.

## **Organizational Change**

Change is often unpopular, but effective change programs can help the organization see the benefits and best respond to the new organizational initiative. This may be because organizations don't sufficiently bring impacted employees along. Change management must consider but the people side of the equation: Do impacted employees understand the purpose of the change, the personal benefits, and costs and are they ultimately supportive of the new approach? This also involves recognition of the organizational culture: Is it "ready" for change or for accepting a new definition of what success or "normal behavior" is.

## **Resources**

Funding and staffing were often mentioned as key components of a successful consulting project. In some projects discontinuity continuity of project leadership causes difficulties. Consultants assigned to a project must be able to bring a point of view about the future (of the industry, the issue, the function) and also bring the capabilities to help close the gap between the client's current capability and its goal state. Internal resources, too, must be of the the appropriate level, number, and type to support a successful project. The internal team must also function as an effective agent the change process is often essential to the success of a complex initiative.

In talent related projects, the HR organization is often thought of as not having sufficient view of the business objectives. So while the HR department is in a principal role, it is often outmatched as a change agent. HR has a unique role to help the enterprise change. To improve its value to its enterprise, HR could develop the skills to more successfully act as a change agent.

Overall, there are many obstacles to successful execution of important initiatives. Only through commitment of both the client and the consulting provider will these obstacles be appropriately identified and addressed to achieve the desired business results.

## **FUTURE OUTLOOK**

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### **IDC MarketScape Talent Related Business Consulting Market Assessment**

The IDC vendor assessment for talent related business consulting services market represents IDC's opinion on which providers are well positioned today through current

capabilities and which are best positioned to gain market share over the next few years. Positioning in the upper right of the grid indicates that providers are well positioned to gain market share. For the purposes of discussion, IDC divided potential key strategy measures for success into two primary categories: capabilities and strategies.

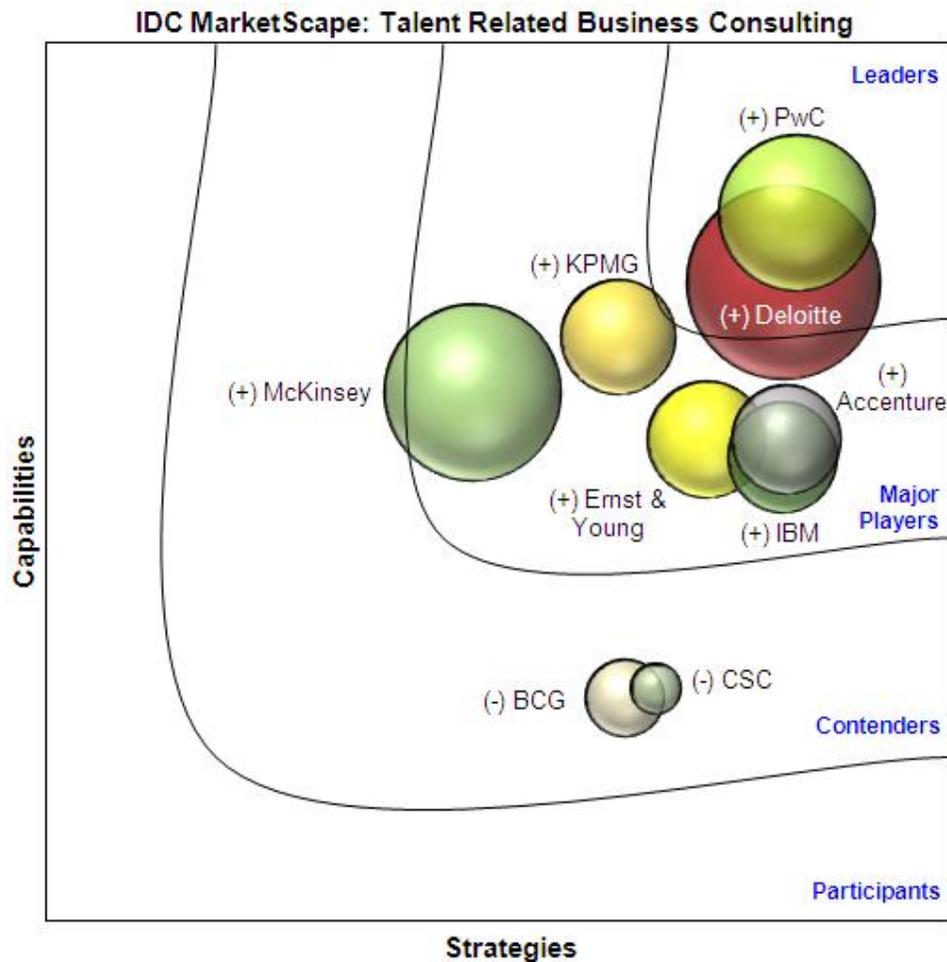
Positioning on the y-axis reflects the provider's current capabilities and menu of services and how well aligned it is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC will look at how well a provider is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the provider's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level strategic decisions and underlying assumptions about offerings, customer segments, business, and go-to-market plans for the future, in this case defined as the next three to five years. Under this category, analysts look at whether or not a provider's strategies in various areas are aligned with customer requirements (and spending) over a defined future time period.

Figure 1 shows each provider's position in the vendor assessment chart. A provider's market share is indicated by the size of the bubble and a (+), (-), or () icon indicates whether or not the provider is growing faster, slower, or even with overall market growth.

**FIGURE 1**

IDC MarketScape Talent Related Business Consulting Vendor Assessment



Source: IDC, 2011

## Vendor Profiles

### ***Deloitte***

According to IDC analysis and buyer perception, Deloitte is an IDC MarketScape Leader worldwide for talent related business consulting. Deloitte is a partnership of private companies, with 170,000 practitioners in 140 countries, and is a multiservice consultancy. Deloitte's business consulting capabilities are a key element of Deloitte, and its practice areas within the wide range of Deloitte's professional services include:

- ☒ **Audit:** Financial audit capabilities
- ☒ **Tax:** Tax advisory activities (as well as tax practice compliance capabilities)

☒ **Financial advisory services (FAS) and enterprise risk services (ERS):**  
Business advisory services

☒ **Consulting:** Services spanning human capital, financial management, technology advisory services (including enterprise applications technology integration, and advisory), strategy, and operations service areas

Deloitte has industry specialties in all major sectors, including consumer business and transportation, energy and resources, financial services, life sciences and healthcare, manufacturing, public sector, real estate, technology, and media and telecommunications.

Deloitte advocates its proposed value of "executable strategy" with a broad services footprint to help clients from strategy development to execution. The firm believes that this positioning and its underlying capabilities differentiate it from both the newly rejuvenated consulting offerings of other Big Four firms and the more established strategy, human capital, and technology competitors. Deloitte is the only firm among the Big Four firms not to have divested its consulting business after the fallout from the accounting scandals in 2001 and 2002.

Deloitte credits its decision to serve clients with "As One" behavior and capabilities as a key driver of its strong growth. Deloitte builds its strategy around global market offerings (GMOs) in which the firm pulls skills from a variety of practices and geographies across its service lines. The firm has a mature set of GMOs through which Deloitte has enjoyed good momentum in the past two years while stimulating shared growth with its business advisory business. As with the other Big Four consultancies, Deloitte leverages client relationships from its tax and audit capabilities.

Deloitte is attempting to establish itself as the employer of choice and promotes flexibility and customization for each individual employee's career path. Deloitte is making significant investments in training and education for its employees with Deloitte University, a state-of-the-art facility near Dallas, Texas, slated to open in 2011.

Deloitte's human capital and talent practice is innovative and one of the largest human capital and talent consultancies in the world. Deloitte's talent, performance, and rewards services focus on helping its clients directly link and align business priorities (e.g., global growth and expansion, innovation, new markets, and mergers and acquisitions) and workforce strategies and programs. Deloitte's portfolio of human capital and talent services focus on workforce and work and workplace issues and cover the range of talent strategy, process, programs, and technologies. Talent consulting services are augmented by tax, real estate, risk, and financial advisory related talent services and integrated with the firm's industry and sector practices, providing unique breadth and depth of services. In the past two years, Deloitte has made major investments and advances in service offerings in workforce and talent analytics, including retention, as part of the firm's larger focus on analytic services.

Deloitte incubates and develops new talent approaches and services within its own organization, where internal initiatives including Mass-Career Customization, the

Corporate Lattice, the women's and diversity programs have evolved into differentiated client offerings. Deloitte's research capabilities, global breadth, and industry depth help Deloitte's clients achieve results through a portfolio of services including workforce planning and talent analytics, compensation, benefits and performance management, retention and engagement, leadership and talent development, and global mobility.

The firm's Periodic Table of Talent framework, and Talent Edge 2020 longitudinal research, provides clients a comprehensive view of how talent issues impact the workforce and business globally. Deloitte's services cover the core talent employee life cycle (from sourcing and recruitment through onboarding, deployment, development, performance management, and succession planning and career development). In addition, Deloitte's services include workplace of the future and global mobility as well as the range of issues at the intersection of talent and technology and service delivery — nationally and globally.

Deloitte works with both core HR and talent leaders in addition to business and functional leaders across the C-suite including the CFO, CIO, R&D, and line-of-business leaders — focusing on talent issues in HR and embedded in the business.

### **Key Findings and Opportunities**

Worldwide, Deloitte is seen as much better than its peers at helping clients leverage talent. Also, Deloitte is seen as most capable of all firms at delivering ROI for talent related projects.

Additionally, Deloitte is seen as among the most capable at integrating its project team with the client's and at providing a full spectrum of business consulting services combined with functional and industry insights.

For talent related projects, Deloitte is seen as much better than its peers at helping clients reduce costs and at helping clients improve operational efficiency.

To enhance its leadership position on the MarketScape overall, Deloitte could improve client perception of its ability to challenge corporate culture and deliver innovation in the project. And it has an opportunity to enhance its client perception of its ability to create a more effective business.

## **ESSENTIAL GUIDANCE**

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### **For Enterprises**

Most business consulting providers are particularly adaptive to changes in economic or business conditions: adding or removing staff by geography, industry specialization, or domain expertise. For enterprises to successfully leverage consultants and their expertise, it will be important to:

- Create visible links between project strategy and "business execution." For talent related projects this means ensuring business performance improvement beyond administrative improvements.

- ☒ Integrate multiple disciplines throughout the project to ensure the broadest range of needs is satisfied and to ensure deep multidisciplinary relationships between stakeholders and consultants.
- ☒ Evolve and adapt to prevail through specific periods of change by seeking to capitalize on "temporal opportunities." As the economic crisis and recovery progress intermittently, talent related strategies — acquisition, development, and downsizing — will present ongoing challenges for organizations.
- ☒ Leverage consultant expertise in strategically valuable areas of growth, domain expertise, and geographies.

Above all, anticipate and address the common obstacles to successful consulting projects: scope, duration, organizational change, and resources.

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### **For Consulting Providers**

Firms that have been successful at adapting to temporal opportunities share some common characteristics including the willingness to seek out dynamic shifts in their clients' marketplace, the ability to evolve their offerings based on unique experience, and the ability to deploy a multidisciplinary team to support highly specialized client requirements. IDC believes these characteristics represent a core set of practices that will enable firms to adapt quickly and service their clients most effectively.

Overall, it will be important for global, industry, and geographic leaders to create proactive responses to clients and prospects. Our long-term guidance for providers contained in previous documents remains consistent: Focus on regional priorities.

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