



IDC MarketScape

IDC MarketScape Excerpt: Worldwide Business Consulting Services 2014 Vendor Assessment

Cushing Anderson

THIS IDC MARKETSCAPE EXCERPT FEATURES: IBM CORPORATION

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Business Consulting Services Vendor Assessment

Leaders PwC McKinsey Accenture

IDC MarketScape: Worldwide Business Consulting Services Market

Deloitte **KPMG** Capabilities CSC • Major Players Booz & 🌘 BCG Company Contenders **Participants**

Strategies

Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Business Consulting Services 2014 Vendor Assessment (Doc # 246615). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the marketplace and help anticipate its ascendancy. This study assesses the capability and business strategy of many 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 business consulting services during both the short term and the long term. A significant and unique component of this evaluation is the inclusion of business consulting buyers' perception of both the key characteristics and the capabilities of these consulting providers. As one would expect of market leaders, overall, these firms performed very well on this assessment. Key findings include:

- The consulting providers are generally considered quite capable when asked to meet the project time line and provide functional or technical insights. They are also considered very capable when asked to help clients reduced costs, identify options for growth, or generally improve operational efficiency.
- Surprisingly, this evaluation discovered that generally enterprises are disappointed with the
 consulting provider's ability to deliver on value-creating innovation and to provide industry
 insights. While nearly all vendors explicitly describe their position on maximizing the value of
 their projects and their industry focus, buyers believe these two areas are the weakest
 performance areas for consultants overall.
- While most consulting providers describe themselves as capable of helping their clients expand into new markets/geographies, enterprise buyers of consulting services rate consulting firms as weak in this regard compared with their ability to reduce costs or improve operational efficiency.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

This research includes analysis of the five largest business consulting firms and additional firms with broad portfolios spanning IDC's research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm — as opposed to its size or the breadth of its services. It is conceivable, and in fact the case, 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 firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firm should be considered as potential candidates for an engagement.

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ESSENTIAL BUYER GUIDANCE

Business requirements demand solutions that work holistically within an enterprise. These solutions are often complex and require multiple domains of expertise and stakeholders from a variety of areas to ensure success. As a result, consulting projects are often complex. To maximize value and minimize disruption, enterprise leaders must:

- Assure project is strategically valuable (be sure of full organizational commitment).
- Create visible links between project strategy and "business execution."
- Integrate all impacted LOBs throughout the project to ensure stakeholder needs are fully satisfied.
- Anticipate and address the common obstacles to successful consulting projects.
- Avoid scope creep.
- Plan for sufficient organizational change.
- Commit sufficient internal resources to the project.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of one vendor's strengths and challenges.

IBM

According to IDC analysis and buyer perception, IBM is an IDC MarketScape Leader worldwide.

IBM is one of the largest multidisciplinary consulting firms, with more than 100,000 employees globally, and serves clients in more than 450 locations across 170 countries. IBM provides consulting services across a wide range of topics, functions, and industries through IBM Global Business Services.

In November 2012, IBM debuted a perspective that the world has been fundamentally transformed by rampant availability of data and the technologies to exploit it for rapid transformation, like mobility, social business, and cloud. IBM calls this new client agenda "Front Office Transformation" and believes it's creating profound changes in how enterprises create models of engagement with all audiences.

For IBM, Front Office Transformation is the combination of the Digital Front Office (reimagining everything about the way people connect, transact, and engage) and the Globally Integrated Enterprise (transforming the organization for efficiency and effectiveness and to enable new growth). IBM believes sustainable value is found through the integration of these two agendas across the enterprise.

IBM has made significant investments in Front Office Transformation skills, solutions, and go-to-market structure. In January 2014, IBM announced the creation of a new service line called Strategy and Analytics, a combination of IBM's strategy consulting, business analytics, and optimization services and IBM Interactive digital capabilities to help clients accelerate these front-office transformations. IBM states it's seeing increased demand for solutions that combine all of these capabilities – strategy consulting, design, experience, and analytics – to help clients create business strategies that can rapidly deliver outcomes and build better models of engagement. With more than 15,000 consultants in this new service line, IBM claims it's delivering this new combination of skills to dozens of clients today like Banorte-Ixe – a leading Mexican bank working with IBM in an outcome-based model to transform the entire bank, including customer-facing processes, back-office operations, and risk management, into a customer-centric enterprise with an analytics foundation.

IBM also launched several new offerings and capabilities in the past 12 months in support of these new client agendas and the social, mobile, analytics, and cloud technologies that are enabling them. For example, in March 2013, IBM opened the CX Lab, a joint go-to-market initiative with IBM Research and GBS that aims to solve highly complex challenges in social insight, customer insight, and marketing optimization.

Extending its investment in IBM Interactive, ranked by Ad Age as a top 5 global digital agency, IBM brought to market a digital front-office maturity assessment tool that incorporates more than 400 different digital capabilities across 20 maturity models. These teams also have a repository of Customer Journey Maps, 4 x 8ft wall murals, that bring together strategy, technology, best practices, and outcomes, founded in either a customer-centric view or a functional transformation view, across 18 industries.

With more than 2,000 dedicated mobility consultants, IBM extended its mobile advisory services in 2013 with key offerings like the Enterprise Mobile Strategy Accelerator that helps CXOs shape enterprise mobile strategy, Mobile Moments Process Design, Mobile/Digital Target Operating Model, and Mobile IT Strategy to help CIOs envision future IT processes for mobile application life-cycle management (DevOps) and mobile IT governance. IBM also updated its BetterTransformation Method and BetterChange Method, including updates from IBM's own internal Enterprise Transformation Team, which deploys more than 400 of its own internal finance, operations, and change experts to the market through IBM GBS.

IBM has also announced more than 60 industry business use cases to help clients accelerate data-driven transformations. These industry use cases incorporate strategy consulting IP assets like value realization models and proven business cases with deep big data and analytics capabilities to provide detailed road maps for clients in areas like risk in energy and utilities and customer experience in banking. Select use cases are industrialized into IBM Signature Solutions, with IBM software and systems integrated into them to help clients implement faster. In 2013, IBM announced two new Signature Solutions for Predictive Asset Optimization and Risk Analytics in credit life-cycle management.

IBM recognizes these market changes are driven in large part by new IT buyers, like the CMO and CFO, and has invested in new ways to engage and understand these new buyers. IBM's acclaimed Institute for Business Value expanded its direct customer research this year with the 2013 C-Suite Study, based on 4,183 face-to-face interaction with C-suite executives from 70 different countries. IBM

also published a new study on mobile business trends, industry vertical thought leadership, and a study that looked at the nine levers for creating business value through business analytics.

Since June 2012, IBM has invested in bringing together CMOs and CIOs to discuss how the marketing profession is changing. In 2013, IBM extended this program to the finance office through several ThinkFinance events with CFOs and CIOs around the word. These events foster direct dialogue with and among clients, generating great insight for IBM.

IBM has also extended its investment in training for consultants in 2013. IBM CEO Ginni Rometty required all employees to engage in at least 40 hours of professional training. In support of this mandate, GBS saw more than a sixfold increase in virtual education in 2013, as well as increases in investments in particular topic areas like big data and analytics and cloud. IBM also has developed a Consulting by Degrees (CBD) program designed to help new undergraduate hires transition into GBS. This two-year program provides training in core consulting, mentoring relationships, and team building.

Growth through emerging markets continues to be an important strategy for IBM. To ensure globally consistent delivery, IBM has developed 18 industry centers of competency (CoCs) and 13 domain and technology CoCs, including many that combine skills from both GBS and IBM Software Group in areas like advanced analytics or mobility. These CoCs are staffed with more than 1,000 senior consultants who can be deployed rapidly anywhere in the world. They have deep backgrounds in their respective fields and bring a unique global perspective. Additionally, during project execution, consultants use the IBM Program Work Center to manage engagements and conduct program management reviews with the client and delivery team to assess the current status of the engagement as well as identify risks and issues early and seek to resolve them quickly.

Strengths and Challenges

Worldwide, IBM's strengths center around innovation, risk, and operations.

IBM is seen worldwide as the most capable of all firms at delivering value-creating innovation and driving innovation through an organization. It is also considered the most capable at helping clients manage risk, improve operational efficiency, and expand into new markets or geographies.

In addition, IBM is perceived to be among the most capable at helping clients identify and implement options for growth, transform significant processes, and comply with new or existing regulations.

IBM should improve client perceptions around its ability to help reduce costs.

Overall, according to client feedback worldwide, IBM enjoys an excellent reputation for quality.

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Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor 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 vendor's future strategy aligns with what customers will require in the next three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. 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 vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Business consulting involves advisory and implementation services related to management issues. It often includes defining an organization's strategy and goals and designing and implementing the structures and processes that help the organization reach its goals. Business consulting includes three main areas: strategy consulting, operational improvement consulting, and change and organization consulting. The market is primarily served by four firm types:

- "Big Four": IDC recognizes the well-known Big Four firms as the four largest international accountancy and professional services firms – Deloitte, Ernst & Young (EY), KPMG, and PricewaterhouseCoopers (PwC).
- Multidisciplinary: IDC describes multidisciplinary firms as large, diversified consulting
 organizations that offer a range of business consulting services to clients across a myriad of

- sectors. To distinguish these from other specialty firms, services must address more than two business functional areas, in addition to providing strategy and operational implementations.
- Technology led: These are also large, multifaceted firms and are known for deep expertise in both technology and business consulting. IDC identifies these firms as those that expanded from information technology (IT)-centric business into more broad business consulting or vice versa.
- Specialty: Specialty firms have focused areas of consulting expertise in specific industries, functional areas, or technologies. Management and strategic consulting specialists that offer primarily strategy consulting and business intelligence (BI) models to specific sectors or industries including government fit into this category of firms.

LEARN MORE

Related Research

- PwC and Booz & Company Announce Intentions to Merge: Represents the Middle of a Long-Term Trend (IDC #244264, November 2013)
- IDC MarketScape: U.S. Business Consulting Services for State and Local Government 2013
 Vendor Analysis (IDC #242546, August 2013)
- IDC MarketScape: Worldwide Business Consulting Services for the Retail Industry 2013
 Vendor Analysis (IDC #242424, August 2013)
- IDC MarketScape: Worldwide Organizational and Change Consulting Services 2013 Vendor Analysis (IDC #242359, August 2013)
- IDC MarketScape: Worldwide Business Consulting Services for Governance, Risk, and Compliance 2013 Vendor Analysis (IDC #242352, August 2013)
- IDC MarketScape: Worldwide Business Consulting Services for the Public Sector 2013
 Vendor Analysis (IDC #242457, August 2013)
- IDC MarketScape: U.S. Business Consulting Services for Smart Cities 2013 Vendor Analysis (IDC #242453, August 2013)
- IDC MarketScape: U.S. Business Consulting Services for the Federal Sector 2013 Vendor Analysis (IDC #242561, August 2013)
- IT Staffing Strategies: Increasing Importance of High-Skilled Technology (IDC #241056, May 2013)
- Worldwide and U.S. Business Consulting Services 2013-2017 Forecast: Operational Strategy (IDC #241087, May 2013)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide business consulting services market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"While consulting providers are generally perceived as capable, buyers of consulting services believe consulting vendors are disappointed with the consulting provider's ability to deliver on value-creating innovation and to provide industry insights. In this research and others, we find that some vendors are better able to produce meaningful results than others." – Cushing Anderson, vice president, Business Consulting Services research

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 48 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-insights-community.com
www.idc.com

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