IDC MarketScape

IDC MarketScape: Worldwide Organizational Consulting Services 2017 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES IBM

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Organizational Consulting Services Vendor Assessment

Source: IDC, 2017

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

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IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Organizational Consulting Services 2017 Vendor Assessment (Doc #US42802917). 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 current and future success in the marketplace. This study assesses the capabilities and business strategies 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 organizational consulting services during both the short term and the long term. A significant and unique component of this evaluation is the inclusion of organizational 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:

▪ Worldwide, organizational consulting providers are generally perceived as providing the required spectrum of strategy consulting services, meeting the project timeline, and transferring knowledge and skills to their clients. They are also considered very capable when asked to help clients improve internal operations and improve operational efficiency.

▪ This evaluation discovered that generally enterprises are disappointed with the consulting provider’s ability to deliver “value creating” innovation, challenge corporate culture, and even integrate appropriate technologies into the engagement.

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 or regional importance. 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 firms should be considered as potential candidates for an engagement.

ADVICE FOR TECHNOLOGY BUYER

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:

▪ Ensure a project is strategically valuable (be sure of full organizational commitment).

▪ Create visible links between project strategy and “business execution.”
▪ Be sure to integrate all impacted lines of business (LOBs) throughout the project to ensure stakeholder needs are fully satisfied, as line-of-business leads often want greater involvement with processes related to human resources (HR) to ensure greatest value.

▪ Anticipate and address the common obstacles to successful consulting projects. These include:
  ▪ **Scope creep**, which can undermine focus and increase cost of projects
  ▪ **Organizational change**, which is often underestimated, especially as project scope or complexity increases
  ▪ **Insufficient internal resources** assigned to the project, which decreases project awareness of interdependent issues and increases reliance on external consultants for critical, interlock activities
  ▪ Select firms that demonstrate the capabilities most important to the success of 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 the vendor's strengths and challenges.

**IBM**

Based on IDC analysis and customer feedback, IBM is an IDC MarketScape Leader in organizational consulting services in 2017.

IBM is one of the largest multidisciplinary consulting firms, with nearly 125,000 employees globally in its consulting services business, serving 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 (GBS).

IBM believes that data is transforming industries and professions. The world is being reinvented in code, and computing is entering a new cognitive era. Therefore, IBM has begun the transformation into a cognitive solutions and cloud platform company. IBM is modernizing its entire portfolio — from software to hardware to consulting and managed services — to leverage cognitive and cloud technologies and engaging clients using IBM Design Thinking to create new business possibilities.

IBM GBS' offerings span three broad categories — digital strategy and interactive, cognitive process transformation, and cloud application innovation — with a portfolio of services that can be composed and integrated into transformational business solutions. IBM business solutions pull through core IBM capabilities (Global Technology Services [GTS], analytics, and cloud) and support IBM's new businesses (e.g., Watson Healthcare, IoT, and FSS).

IBM's Talent and Engagement offering of Digital Change spans across all of IBM's GBS offerings. The focus of Digital Change is that at the core of all successful transformations is the employee experience. The IBM Digital Change approach revolutionizes the way IBM's clients and their employees experience business transformation, by applying a fresh new approach to change, powered by behavioral science and analytics that, when combined, deliver innovative thinking to help clients shape, plan, implement, and realize their business vision.
Digital Change provides organizational consulting geared to the enterprisewide digital reinvention of business models and HR, finance, and procurement transformation programs. IBM's Digital Change practice hosts client Envision and Co-creation studios to create the organizational vision with senior executives and co-create change interventions with employees being impacted by the change. IBM promotes client ownership of the vision and co-create to design change and uses IBM Design Thinking to focus the work effort on the pain points and challenges employees are feeling. IBM's design and creative capability is backed by a global network of 35+ design studios and includes resources and assets from multiple acquisitions completed in 2016, including Resource/Ammirati, ecx.io, XPS, Aperto, and Bluewolf.

IBM leverages Watson Analytics to accelerate Change Insights. IBM's Change Insights Dashboard powered by Watson scrapes client data sources, both social and internal, and public data sources to understand employee engagement and sentiment in real time and tailor change planning as required. With these insights, IBM treats the entire workforce the same and start using real-time behavioral data and actionable insights to inform when – and how – to engage and inspire employees.

IBM's mobile and social accelerators like apps and community building platforms provide personalized and anywhere, anytime information and collaboration tools to employees and sponsors of the transformations.

IBM's 400+ global consultants, including behavioral psychologists and executive leadership coaches, are dedicated to engaging and inspiring employees to change and adopt often complex, multiphased, and transformational changes and coach the next generation of leaders to be versant in change agility and capability.

Recent engagements for the IBM Talent and Engagement Digital Change team include working with a global financial services organization to implement an Integrated Finance Program. Utilizing the Digital Change methodology, IBM connected stakeholders from across functional areas through co-creation studios and developed an integrated change management strategy, a stakeholder engagement assessment, a change impact assessment, a communications strategy, and a training strategy.

IBM Talent and Engagement teams helped an energy and utilities client revamp its customer experience to improve customer satisfaction and remain competitive in a rapidly changing utility environment. The company partnered with the IBM Talent and Engagement Digital Change team, IBM Interactive Experience, and Resource/Ammirati to comprehensively address the customer satisfaction challenge. Six initiatives were identified to improve customer satisfaction scores with road maps designed to execute these prioritized initiatives. The client plans to leverage IBM's Change Insights Dashboard offering to track and analyze the progress of the initiatives.

**Strengths**

Buyers of organizational consulting services view IBM as being among the strongest firms at integrating appropriate analytics into its client engagements and at supporting business change across the client organization. IBM is also perceived to be performing better than many peers at helping clients become more agile, drive innovation through their organizations, and improve operational efficiency.

"IBM teams engrain themselves in our business and gain good insight before making some strong strategic recommendations," says a manufacturing sector client based in the Americas.
**Challenges**

Conversely, IBM must significantly improve perceptions of its ability to leverage its local and global staff appropriately. IBM should also improve the perception among clients that it can integrate its project teams with theirs.

**APPENDIX**

**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 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 represents 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.

*Note: All numbers in this document may not be exact due to rounding.*

**Priorities of Business Consulting Buyers/Consulting Buyer Perception as an Input**

A significant and unique component of this evaluation is the inclusion of the perception of business consulting buyers of both the key characteristics and the capabilities of these consulting providers. This insight is captured in a broad-based random global buyer value survey of consulting firm clients and reveals key insights regarding the capabilities of the individual firms.

The broad survey also provides key insights into the kinds of issues that enterprises are engaging consultants to help address.
Worldwide, EMEA, and the Americas look quite similar in terms of business priorities. Each region considers improving productivity, operational efficiency, and reducing costs as among the top 4 issues. Asia/Pacific sees creating a more effective business and improving internal operations as more important than companies in the Americas and EMEA. And companies in Asia/Pacific see reducing costs as a much lower priority and developing digital products and services as a much higher priority than other regions.

Emphasis in organizational consulting is on increasing organizational performance by better leveraging talent. Organizations are expected to continue to increase their emphasis on talent management, selection, and succession and on addressing gaps in the alignment of organizational design with enterprise strategy and projects.

Any transformation in the way an organization works, particularly how it works together, poses significant challenges. Organizations will more likely “take a chance” on innovative initiatives related to organizational design to attempt to grow revenue faster than head count. Trends that underscore developments in organizational consulting include:

- **Recruiting and sourcing.** Enterprises are finding that a thoughtful recruiting/sourcing strategy and sound execution can facilitate more rapid operational transformation. The cost of talent will drive demand for new talent sources to fill the ever-widening gaps in senior leadership and new entrants. The skills shortage and stiff competition for talent will cause more enterprise clients to turn to alternative sources. Organizations are hiring retirees, deploying contractors, and tapping internal resources with appropriate skills for cross-training. Applying consistency to human capital management and sourcing programs while enabling reward-driven programs will allow client organizations to overcome talent challenges and grow future leaders.

- **Workforce and performance management agendas.** As mentioned previously, accountability for performance has been near the top of the change agenda for workforce management over the past few years. Middle managers’ role is shifting to ensure a positive environment and employee commitment to enable change, accountability, and ownership.

- **Agility.** The aspiration to become an agile organization has never been more valued. While enterprises shift from cost control to realignment, the need for lean, flexible, and cost-efficient practices is central to remaining competitive.

- **Improving metrics.** Many “progressive” human resources organizations are swimming in metrics. However, truly effective organizations focus on the things that consistently drive results in an organization: quality hires, strong talent pipeline, and engaged teams. They then develop ways to have a meaningful impact on those specific processes. Consultants should be able to help identify the “not too many, not too few” metrics that can best leverage talent and improve organizational performance.

**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 organizational consulting.

*Change and organizational consulting* focuses on building the case for business change and on the actions required to create the momentum to implement a business change. Change and organizational consulting also addresses the human dimension of business transformation, including organization
design. This includes helping executives align organizational elements with a new strategy and mobilizing an organization to achieve improvement goals. Change initiatives may include various facilitation and internal communication techniques, usually tied to strategy and business improvement initiatives:

- **Change management** is a structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state. It includes both organizational change management processes and individual change management models, which together are used to manage the people side of change.

- **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.** 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; collecting insight into employee attitudes, satisfaction, engagement, and other employee behaviors; and interpreting that information

The business consulting 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, EY, KPMG, and PricewaterhouseCoopers.

- **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, consulting 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-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.
Related Research

- *IDC MaturityScape: Learning and Development for Impact 1.0* (IDC #US42549817, June 2017)
- *Six Priorities and Behaviors of Successful IT Organizations* (IDC #US42251116, January 2017)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide organizational 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 organizational consulting providers are generally perceived as capable, this evaluation discovered that generally enterprises are disappointed with the consulting provider's ability to deliver on value-creating innovation, challenge corporate culture, and integrate appropriate technologies into organizational consulting activities. In this study and others, we find that some vendors are better able to produce meaningful results than others." – Cushing Anderson, program 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 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 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.

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