

## COMPETITIVE ANALYSIS

### IDC MarketScape: Worldwide Operations Consulting Services 2012 Vendor Analysis

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#### IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC MarketScape: Worldwide Operations Consulting Services 2012 Vendor Analysis by Cushing Anderson (Doc # 236022). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Essential Guidance, Learn More and Synopsis. Also included is Figure 1.

#### IDC OPINION

This study assesses the capability and business strategy of many of the leading business consulting firms related to operations consulting. This evaluation is based on a comprehensive framework and set of parameters selected to predict success in providing business consulting services during both the short term and the long term by leveraging 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 the vendor's ascendancy. A significant and unique component of this evaluation is the inclusion of the perception of operations consulting buyers 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:

- ☑ Overall, firms have tailored their diagnostic and delivery methodologies to operations consulting.
- ☑ Some firms are more comfortable leveraging benchmark data — and have a more rigorous application of benchmark data — than others. Nearly every firm describes its use of benchmarks at all stages of a project life cycle. However, the specific availability of benchmark data for operations consulting varies by firm.
- ☑ Even though most firms describe themselves as capable of global delivery, an important factor for their clients is the firms' ability to leverage local staff and resources on appropriate projects. Clearly, this reflects both a cost focus and a desire for local awareness. In both cases, consulting providers must improve their ability to exploit their local talent in global engagements.



## 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 the firm's ascendancy.

This study assesses the capability and business strategy of many of the leading business consulting firms in the area of operations worldwide. 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 the perception of operations consulting buyers 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.

This study is composed of two key sections. The first part is a definition or description of the characteristics that IDC analysts believe make a successful 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 exhibits the observed and quantified scores of the consulting providers.

The document concludes with IDC's essential guidance to support continued growth and improvement of these firms' offerings.

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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 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, on 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.

## SITUATION OVERVIEW

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### Introduction

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 comprises three main areas: strategy consulting, operational improvement consulting, and change and organization consulting. This specific document analyzes each consulting firm's capabilities and strategies supporting operations consulting. IDC defines operational improvement consulting as:

Operational improvement consulting helps clients become more competitive through process and operational changes by addressing the process and business/industry or functional content dimensions of business transformation. Operational improvement consulting can be viewed by core business processes (e.g., manufacturing, marketing, sales, order fulfillment, and customer care) or by support functions (e.g., finance processes, human resources, and marketing/communications) excluding IT. Operational improvement consulting services include process reengineering, sales force effectiveness, procurement improvement, pricing strategy, and cross-functional initiatives/program management or support for all growth initiatives (including product launch, new business implementation, and pre- and postmerger integration). Operational improvement consulting also includes process and business performance measurement through executive dashboard and scorecard design and implementation.

## FUTURE OUTLOOK

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### **IDC MarketScape Worldwide Operations Consulting Services Market Vendor Assessment**

The IDC vendor assessment for the business consulting services market represents IDC's opinion on which providers are well positioned today through current capabilities and which providers 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 analysis, 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

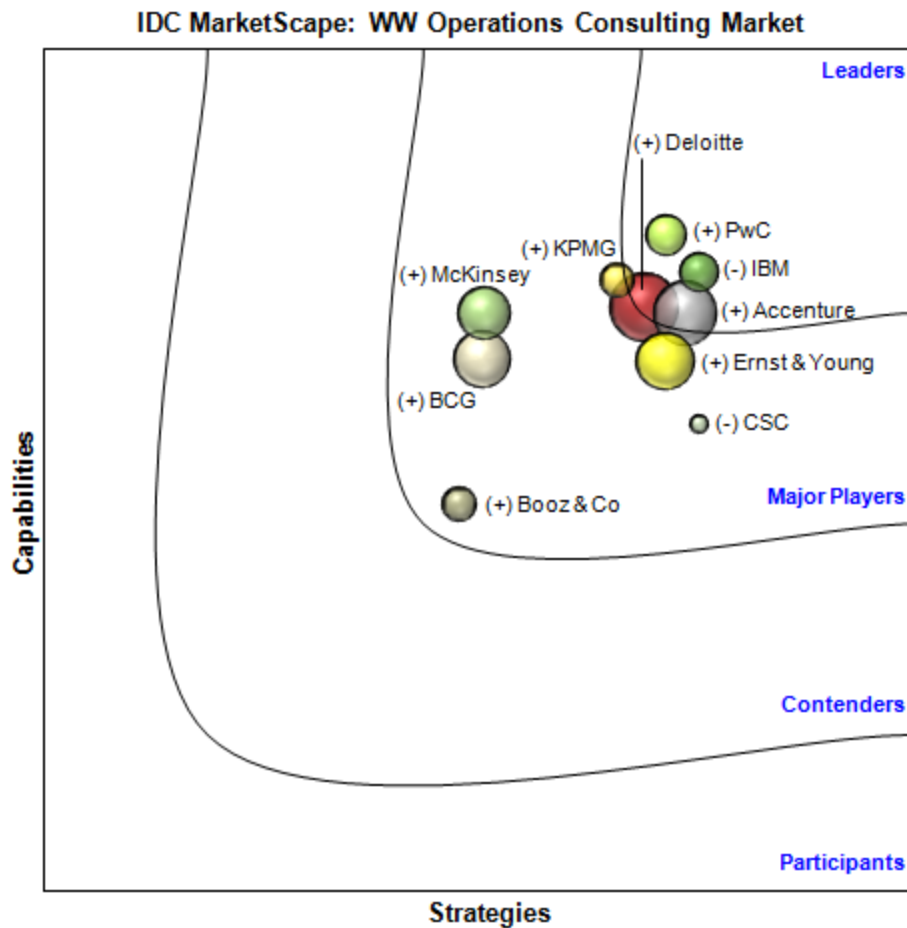
focuses on the capabilities of the company and services today, here and now. Under this category, IDC looks at how well a provider is building/delivering capabilities that enable it to execute its chosen strategy in the market.

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 than, slower than, or even with, respectively, overall market growth.

**FIGURE 1**

IDC MarketScape Worldwide Operations Consulting Services  
Vendor Assessment



Source: IDC, 2012

## Provider Profiles

### ***PricewaterhouseCoopers***

According to IDC analysis and buyer perception, PricewaterhouseCoopers (PwC) is an IDC MarketScape Leader in operations consulting worldwide.

"PwC has excellent supply chain consulting capabilities," says a retail executive.

PwC is a Big 4 global professional services organization, established as a global network of member firms with close to 169,000 people globally in 771 locations across 158 countries organized in three regional clusters. PwC serves client organizations across all sectors and functional areas. PwC provides services through three divisions or "lines of service" — assurance, tax, and advisory. The advisory business contains deals and consulting.

Consulting services covered within the scope of this IDC research include those provided with the following capabilities:

- ☒ Strategy
- ☒ Operations
- ☒ People and change
- ☒ Risk
- ☒ Finance
- ☒ Technology
- ☒ Revenue growth

PwC organizes its solutions into 21 industry sectors and brings together its functional and industry skills to focus on certain services important at C-suite level including:

- ☒ Performance alignment
- ☒ Customer impact
- ☒ Delivering deal value
- ☒ Value chain transformation
- ☒ Business services transformation
- ☒ Enterprise performance management
- ☒ Capital projects and infrastructure

Since 2007, PwC has been aggressively expanding its consulting business. PwC has particularly bolstered its consulting skills in strategy, operations, and technology to strengthen its ability to help clients with large-scale transformation. This has been achieved through a combination of organic and inorganic investment.

PwC has completed a number of strategically noteworthy acquisitions including the 2010 acquisition of Diamond Management and Technology Consultants, which adds Diamond's experienced strategy, technology, and management consulting professionals to PwC's advisory practice, reflecting PwC's commitment to enhancing PwC's leadership position as a professional services firm providing deep and extensive consulting capabilities to deliver a continuum of services from strategy through execution.

In 2011, PwC continued to invest in its strategy and operations capability, as evidenced by the acquisition of global management consulting firm PRTM Management Consulting. PRTM strengthened PwC's capabilities in operations management consulting, including strategy, supply chain, product development, customer service innovation, and business model innovation, supporting PwC's commitment to deliver consulting services from strategy through execution. The acquisition of PRTM brought over 700 experienced consultants to PwC's global practice. Over two-thirds of the team from PRTM are located in the United States, with the remainder located in the United Kingdom, France, Germany, the Nordics, the United Arab Emirates, India, China, and Japan. They serve Fortune 1000 clients particularly in industries such as technology, telecom, industrial products, retail and consumer, healthcare, and public sector.

PwC has also complemented this with more focused acquisitions in the operations area in 2011, particularly S&V Management Consultants in Belgium and TruEconomy in the Netherlands, with over 200 consultants between them; PwC has made a number of other focused acquisitions, particularly in the United States.

PwC views operations as a major source of client value. PwC believes that a client's efforts to implement cost reduction or revenue growth initiatives as one-time improvement events often fail. And that to be successful, PwC helps clients optimize their operations by addressing more foundational challenges such as:

- ☒ Sustainable cost reduction through transformed processes and transparent management of information and accountability
- ☒ Supply chain management that responds to volatile markets, controls risks, and helps clients anticipate, create, and manage change to remain competitive
- ☒ Customer impact that includes a clear understanding of what customers want and value most, with operations tuned to deliver that value
- ☒ Revenue growth that begins with focused strategy development and opportunity assessment and ends with consistent execution
- ☒ Corporate performance management that translates a client's strategy into financial and operational plans and monitoring how well the company meets those plans

As with its broader consulting practice, PwC's market approach is focused on industries and being able to deliver value from strategy to execution, drawing on both the broad range of functional skills in its consulting business and its capabilities in deals, tax, and assurance. PwC has implemented a model that facilitates the use of cross-border and cross-line of service teams to meet the changing needs of its clients.



PwC is in a position to actively compete for a broad range of services, in both the front office and the back office, by combining its deep industry and business knowledge with growing technology skills. PwC has made progress as a "full-service consulting firm," pulling resources and collective expertise from across all parts of the network.

### **Operations Consulting: Strengths**

PwC is seen as the most capable of all firms at providing a full spectrum of business consulting services on operations engagements. PwC is also seen as among the most capable at applying proven methodologies and tools and at helping clients reduce costs.

### **Opportunities**

In operations engagements, PwC should improve client perception of its ability to provide functional insights. It should also improve client perception of its ability to leverage resources both locally and globally.

PwC should improve client perception of its ability to deliver ROI for the project and maximize project value in operations engagements.

## **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 compliance-related projects, this means linking compliance-related activities with governance processes to ensure that the business functions better as a result of its compliance activities.
- ☑ 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." This is especially true related to the dynamic regulatory climate.
- ☑ 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

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. To remain successful, it will be important to:

- ☒ Create visible links between project strategy and "business execution."
- ☒ Integrate multiple disciplines throughout the project to ensure client needs are most fully satisfied and to ensure deep multidisciplinary relationships and strong positioning on the *next* project.
- ☒ Evolve and adapt to prevail through specific periods of change by seeking to capitalize on "temporal opportunities."
- ☒ Establish deeper expertise in strategically valuable areas of growth, industries, and geographies.

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' marketplaces, 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.

Functionally, consulting firms worldwide should focus on improving their ability to meet client expectations related to the delivery of return on investment for the project. Even though vendors focus on maximizing the value of their projects, buyers believe this area is one of the weakest performance areas for consultants worldwide. Additionally, consulting providers must improve their ability to exploit their local talent in order to meet the cost and insight requirements of their clients.

Worldwide, strategies and drivers are divided between cost control, realigning, and transforming operations. Enterprises are seeking to improve operational efficiency and therefore their business consulting projects reflect that. While cost reduction remains important regionally, enterprises have refocused globally. Consulting vendors must:

- ☒ Exploit technical and functional insights to attract customers.
- ☒ Identify opportunities to consistently deliver on client expectations, especially timely delivery of services.
- ☒ Maximize the business value of projects, reach a common and consistent understanding with key stakeholders on the success criteria, and publicize successes.

- ☒ Develop core messages that highlight how to improve operational efficiency and reduce costs.

As 2012 continues, firms that can best address the regionally specific shifts in client requirements will be best positioned to gain share.

## LEARN MORE

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### Related Research

- ☒ *Worldwide and U.S. Business Consulting Services 2012–2016 Forecast: Operational Execution and Strategy* (IDC #234979, May 2012)
  - ☒ *IDC MarketScape: EMEA Business Consulting Services 2012 Vendor Analysis* (IDC #233426, March 2012)
  - ☒ *IDC MarketScape: Worldwide Business Consulting Services 2012 Vendor Analysis* (IDC #233425, March 2012)
  - ☒ *Worldwide Services 2012 Top 10 Predictions* (IDC #233279, February 2012)
  - ☒ *Predictions 2012: Disruption Ahead in the Global Services Market?* (IDC #WC20120209, February 2012)
  - ☒ *IDC MarketScape: Worldwide Public Sector Business Consulting 2011 Vendor Analysis* (IDC #229541, August 2011)
  - ☒ *IDC MarketScape: Worldwide Compliance Related Business Consulting 2011 Vendor Analysis* (IDC #229527, August 2011)
  - ☒ *IDC MarketScape: Worldwide Talent Related Business Consulting 2011 Vendor Analysis* (IDC #229526, August 2011)
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### Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide operations consulting services market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess 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.

"Consulting providers have clearly customized their delivery methods to support a different consulting area. Though all firms leverage benchmark data, the rigor and scope of their application varies." — Cushing Anderson, program vice president, Business Consulting Services research

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