



IDC MarketScape

IDC MarketScape: Worldwide Digital Enterprise Strategy Consulting Services 2015 Vendor Assessment

Cushing Anderson

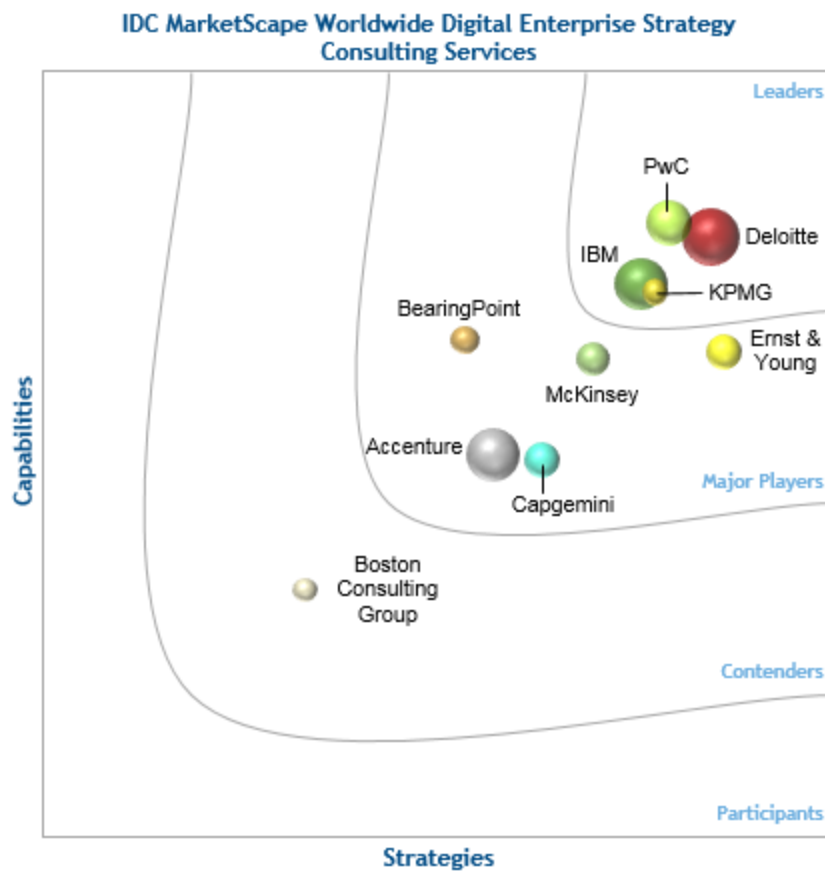
Mette Ahorlu

THIS IDC MARKETSCAPE EXCERPT FEATURES BEARINGPOINT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Enterprise Strategy Consulting Services Vendor Assessment



Source: IDC, 2015

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 Digital Enterprise Strategy Consulting Services 2015 Vendor Assessment (Doc #254679). 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 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:

- Worldwide, consulting providers that are working on "digital strategy" projects with their clients are generally considered capable, particularly in projects to improve the information architecture.
- Consultants are also generally quite capable at digital strategy projects that improve the effectiveness of their client's internal operations by leveraging digital tools. And they are also seen as most capable at helping leverage digital tools to improve the usefulness of their client's products or services and at making content better available on the Web related to products and services.
- Unfortunately, consultants are generally less capable at other important "digital strategy"-related engagements, particularly projects to leverage digital to improve customer service or to improve the visual design and consumability of their client's information resources. And surprisingly, consultants in general are not as strong at leveraging digital tools and techniques to improve marketing capabilities.

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 firm should be considered as potential candidates for an engagement.

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:

- Ensure 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 digital enterprise strategy consulting projects. These include:
 - **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

VENDOR SUMMARY PROFILES

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.

BearingPoint

According to IDC analysis and buyer perception, BearingPoint is an IDC MarketScape Major Player for digital enterprise strategy consulting worldwide.

BearingPoint is a European business and IT consultancy, organized as a partnership with 3,350 employees in 32 offices in 20 countries. The company, headed up by managing partner Peter Mockler, is one of the smaller vendors in this IDC MarketScape; it posted a positive record EBIT in 2014 and expects to post strong 2015 revenue growth.

BearingPoint is organized by territory and industry. Territories are:

- Germany, Switzerland, and Austria
- France and Benelux
- Russia
- United Kingdom and Ireland
- Nordics

BearingPoint aligns its industries in five groups:

- Consumer industries (communications, media and entertainment, consumer goods, and retail)
- Discrete industries (automotive, industrial equipment, and manufacturing)

- Process industries, utilities, and resources (life science and chemicals, utilities, and resources)
- Financial services (banking, insurance, and capital markets)
- Public sector (government and defense, healthcare and social welfare, postal, and transportation)

Its core offerings are sold across its territories through six service lines:

- Business transformation and strategy (BTS)
- Digital and customer management (DCM)
- Supply chain management (SCM)
- Finance, risk, and compliance (FRC)
- IT advisory (ITA)
- Asset-based consulting (ABC)

Top customers include GDF SUEZ, BMW, the French government, Eircom, and KfW (formerly KfW Bankengruppe).

Outside its current core territories in Europe, BearingPoint relies on a network of partners including:

- West Monroe: North America
- ABeam Consulting: Japan
- Grupo ASSA: Latin America
- ARETE: Turkey
- Cumbria: Spain
- IPOPEMA: Poland
- BearingPoint Caribbean: the Caribbean

BearingPoint also uses KPIT to provide occasional tactical implementation assistance with IT project services, particularly for supplying offshore-based application-centric skills. In addition, BearingPoint has two nearshore delivery centers in Romania with around 200 staff, mostly supporting German-speaking clients and handling smaller and midsize implementation work.

BearingPoint has aggressively built up an intellectual property assets portfolio including GRCS (for Solvency II in insurance, Basel II-III in banking, CO₂ reporting in logistics), Infonova (software for telecoms billing and cloud monetization), and HyperCube (a business analytics toolset). In some areas, BearingPoint chooses to compete and differentiate through assets and appears quite successful; over 200 banking clients leverage its ABACUS/DaVinci software solution for bank supervisory and regulatory reporting in Germany and Luxembourg.

The organization is a significant player in German-speaking Europe, Russia, and France, despite currently having a low market profile.

Strengths

In EMEA, BearingPoint is seen as most capable of all firms at helping clients reduce cost, at managing consultant staff turnover during the project, and at maximizing the value of the project.

For projects related to leveraging digital capabilities to improve the effectiveness of internal operations, BearingPoint is perceived by buyers of consulting services to be the most capable of all firms. Clients

further regard BearingPoint as better than many of its peers at projects related to the usability of digital products and services, digital marketing, capturing and leveraging data from clients or internal processes, improving accessibility of information resources internally or for customers, and improving the visual design and consumability of information resources.

Challenges

In identifying opportunities for improvement, we find BearingPoint must improve perceptions of its abilities to align the client's digital presence with the client's corporate brand, improve information architecture, leverage product or service content, and leverage digital to improve customer service.

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 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 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 clients of both the key characteristics and the capabilities of these consulting providers. This

insight is captured in a broad-based random survey of consulting firm clients and reveals key insights regarding the capabilities of the individual firms.

"Digital strategy" for this document covers a broad set of issues relating to leveraging widely applicable technologies – such as cloud-based software, social tools and techniques, mobile devices, analytic and big data techniques, and a range of others – to improve essential functions. IDC has categorized the range of use cases for digital into three overarching sets:

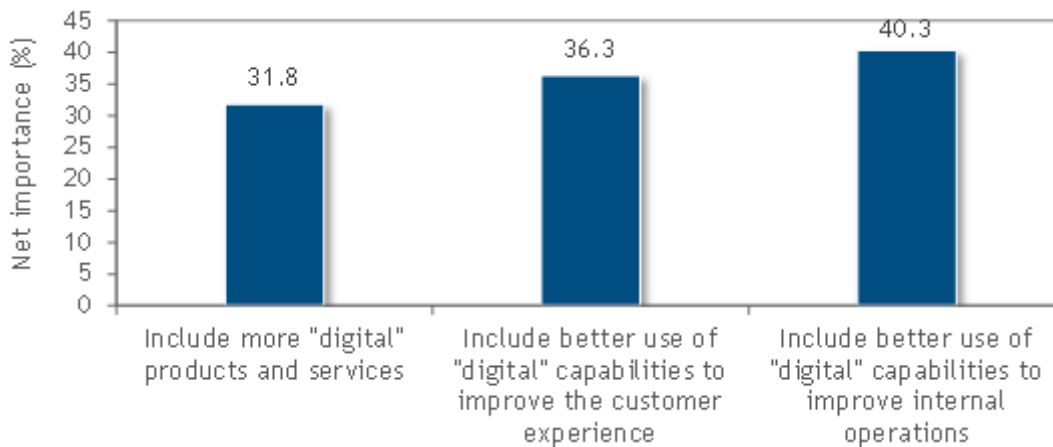
- Evolve the business to include more "digital" products and services.
- Evolve the business to include better use of "digital" capabilities to improve the customer experience.
- Evolve the business to include better use of "digital" capabilities to improve internal operations.

The trend to apply these rapidly growing technologies and techniques appears to be accelerating. More than half of all enterprises consider one of these three issues important, and very few organizations consider these issues "unimportant" to their success. The "net importance" for each of these three strategies is over 30%, illustrating that 30% more firms think the strategy is important than think it is not important (see Figure 2).

FIGURE 2

Importance of "Digital" as an Enterprise Strategy

Q. How important a business priority do you believe each of the following is currently for your organization?



n = 649

Note: Net importance is the percentage of respondents who selected the "bottom 2" boxes subtracted from the percentage of respondents who selected the "top 2" boxes.

Source: IDC's *Worldwide Consulting Buyer Perception Survey*, November 2014

Regionally, the Americas, EMEA, and Asia/Pacific have different priorities:

- In the Americas, digital projects are strongly focused on internal operations: improving the information architecture, effectiveness of operations, and capturing data. Even the high priority

of customer service reflects a desire to improve those specific processes in addition to the customer experience.

- In EMEA, while improving processes are important, the focus is somewhat more on customers and the customer experience.
- In Asia/Pacific, there is an even greater focus on using digital-related projects to "get the word out" – with usability and information about the products and services and customer services being high priorities.

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. This particular document focuses on "digital enterprise strategy" consulting defined as:

Digital enterprise strategy consulting analyzes the business imperatives that ultimately drive businesses' adoption of 3rd Platform technologies (social, mobile, analytics, cloud, etc.). Digital enterprise consulting offers insight and advice to help enterprises envision, validate, and execute new strategies and major changes to product offerings, business models, operations, and even business relationships.

Strategies and Capabilities Criteria

The importance of a firm's characteristics to project success and relevance of the particular issue combined with IDC's opinion about the impact those elements have on the selection of firms implies a unique weighting of these elements when evaluating a firm's overall strategy and capability to address market opportunity and realizing market success (see Tables 2 and 3).

In addition to the criteria for success having varying weights, IDC believes the aggregate criteria (offering, go to market, and business) should also be weighted. Table 4 illustrates the relative weights used in this analysis.

LEARN MORE

Related Research

- *IDC MarketScape: EMEA Business Consulting Services 2015 Vendor Assessment* (IDC #254680, forthcoming)
- *IDC MarketScape: Americas Business Consulting Services 2015 Vendor Assessment* (IDC #254318, February 2015)
- *IDC MarketScape: Worldwide Business Consulting Services 2015 Vendor Assessment* (IDC #254320, February 2015)
- *IDC MarketScape: Asia/Pacific Business Consulting Services 2015 Vendor Assessment* (IDC #254319, February 2015)
- *IDC MarketScape: Worldwide Business Consulting Services for the Banking Industry 2015 Vendor Assessment* (IDC Financial Insights #FI253532, January 2015)
- *IDC MarketScape: Worldwide Business Consulting Services for the Capital Markets Industry 2015 Vendor Assessment* (IDC #253549, January 2015)
- *IDC MarketScape: Worldwide Business Consulting Services for the Insurance Industry 2015 Vendor Assessment* (IDC #253461, January 2015)
- *Accenture Off to a Strong Start in FY15* (IDC #IcUS25358014, December 2014)
- *Worldwide and Regional Business Consulting 2013 Vendor Shares* (IDC #251468, September 2014)
- *IDC MarketScape: Worldwide Supply Chain Management Business Consulting Services 2014 Vendor Assessment* (IDC #250614, September 2014)
- *IDC MarketScape: Worldwide Finance and Accounting Consulting Services 2014 Vendor Assessment* (IDC #249540, July 2014)
- *IDC MarketScape: Worldwide Strategy Consulting Services 2014 Vendor Assessment* (IDC #249462, July 2014)
- *IDC MarketScape: Worldwide Enterprise Performance Management Business Consulting Services 2014 Vendor Assessment* (IDC #249463, July 2014)
- *IDC PeerScope: Critical Practices to Improve the People Dimension of Big Data and Analytics Projects* (IDC #249163, June 2014)
- *Worldwide and U.S. Business Consulting Services 2014-2018 Forecast: Realign for Growth* (IDC #247767, April 2014)
- *PwC and Booz & Company Finalize Merger: Announce the Creation of Strategy&* (IDC #247874, April 2014)

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 that have particular capabilities in digital enterprise strategy consulting. 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 to support the digital transformation of their operations are critical of consulting providers' ability to

leverage digital to improve customer service or to improve the visual design and consumability of their clients' information resources. However, in this research, 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 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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