



IDC MarketScape

IDC MarketScape: EMEA Business Consulting Services 2015 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES BEARINGPOINT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape EMEA Business 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: EMEA Business Consulting Services 2015 Vendor Assessment (Doc #254680). 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 and Table 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:

- In EMEA, consulting providers are generally considered quite capable with regard to the critical capabilities of meeting the project timeline, leveraging global and local talent, providing the required spectrum of business consulting services, and integrating analytics into the engagement.
- The consulting providers are also considered very capable when asked to transform critical processes, help clients identify and implement options for growth, expand into new markets/geographies, and evolve the business to include better use of "digital" capabilities to improve internal operations – though digital is not as high a priority in EMEA as in other regions.
- Surprisingly, this evaluation discovered that generally enterprises are disappointed with the consulting provider's ability to drive innovation throughout the organization – an essential component of many projects. Consultants were also not as strong at helping evolve the client business to include more "digital" products and services and implementing strategies to leverage talent.

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.

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 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

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 business consulting in EMEA.

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

BearingPoint's core offerings are sold across the company's territories through six service lines:

- Business transformation and strategy (BST)
- 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, French Government, Eircom, and 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

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 and Basel III in banking, CO2 reporting in logistics), Infonova (software for telecoms billing and cloud monetization), 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. BearingPoint is also seen as most capable of all firms at providing functional, technical, and industry insights and competence.

BearingPoint is also seen as among the most capable at helping organizations leverage talent and at integrating appropriate analytics into the engagement.

Challenges

In EMEA, BearingPoint can improve client perception of its ability to help clients transform significant processes, expand into new markets or geographies, and identify and implement options for growth. It should also significantly improve client perception of its ability to help clients manage risk and its ability to integrate its project team with the client's.

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.

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 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. For several years, we have asked the respondents to rate the importance of 10 business issues; this year, we have added 3 more issues, all related to digital transformation, namely, to evolve the business to include better use of "digital" capabilities to improve internal operations or to improve customer experience or to include more digital products and services. This research shows us the significant differences in how important "digital" is seen in the different regions. In Asia/Pacific, it is a top priority – with digital for customer experience being the single top business priority and digital for internal processes the third priority. In EMEA, digital internal processes are seen as quite important – priority number 4, while customer experience is only prioritized among the lowest. In the Americas, most surprisingly, digital capabilities are seen as lowest priorities below all the "traditional" priorities. As an overarching business priority, creating digital products and services generally has a low priority in all regions primarily because it is far more applicable to some industries than others – where other uses of "digital" are more broadly applicable. If this dramatic difference in business priority is followed by investments, we are going to see Asia/Pacific taking a profound leap ahead of other regions and improve its competitive positioning in the worldwide economy (see Table 1).

Based on the other business issues, we find no dramatic changes from the previous year. Most important issues to address are still to reduce cost, improve process efficiency, and create a more effective business. These are top priorities for consulting buyers in the Americas and EMEA, and very high priorities in Asia/Pacific. Identifying and implementing opportunities for growth has lower priority than the cost-focused issues. Thus the shift toward a more growth-oriented strategy has not happened in a majority of companies in the Americas and EMEA, indicating that the volatile economy is still a barrier for many. But for many in Asia/Pacific, cost reductions are quite far down the priority list. These differences mean that consulting buyers will emphasize different qualities when selecting a consulting partner.

Regulatory compliance is another key issue – increased in importance in EMEA – showing that the consultant's local basis will be of high importance to the consulting buyers.

TABLE 1

Business Priorities for Worldwide Enterprises by Region and Importance

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

	Worldwide	Americas	EMEA	Asia/Pacific
Reduce costs	1	1	1	6
Improve operational efficiency	2	2	3	2
Create a more effective business	3	3	5	4
Identify and implement options for growth	4	4	6	5
Comply with new or existing regulations	5	5	2	8
Evolve the business to include better use of "digital" capabilities to improve internal operations	6	12	4	3
Manage risk	7	6	7	12
Transform critical processes	8	8	8	10
Evolve the business to include better use of "digital" capabilities to improve the customer experience	9	11	10	1
Leverage talent	10	7	9	11
Drive innovation	11	9	11	9
Evolve the business to include more "digital" products and services	12	13	12	7
Expand into new markets/geographies	13	10	13	13
n =	1,325	439	443	443

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

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-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

- *IDC MarketScape: Digital Enterprise Strategy Consulting Services 2015 Vendor Assessment* (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 #lcUS25358014, 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 PeerScape: 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 EMEA 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 are critical of consulting provider's ability to drive innovation throughout the organization – an essential component of many projects – and of helping clients evolve to include more 'digital' products and services. 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 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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