



IDC MARKETSCAPE

IDC MarketScape: Worldwide Enterprise Performance Management Business Consulting Services 2014 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES: DELOITTE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Performance Management Business Consulting Services Vendor Assessment



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 Enterprise Performance Management Business Consulting Services 2014 Vendor Assessment (Doc # 249463). 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:

- Firms are getting generally stronger at linking enterprise performance management (ERP) to a range of operational situations, particularly linking financial and operational data in meaningful ways.
- More firms are leveraging "enterprise value drivers" as models to ensure measurement, and governance activities are focused on high-value levers within the enterprise.
- Firms are still developing their capabilities for prediction or highly accurate forecasting.

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.

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.
- Avoid scope creep.
- Plan for sufficient organizational change.
- Commit sufficient internal resources to the project.

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 each vendor's strengths and challenges.

Deloitte

According to IDC analysis and buyer perception, Deloitte is an IDC MarketScape Leader worldwide in EPM consulting.

Deloitte is a global professional services organization with more than 200,000 practitioners in 150+ countries. As a multiservice consultancy, Deloitte's capabilities are a key element of the company's business-driven approach and include:

- Enterprise risk
- Finance services (including audit and tax advisory services)
- Human capital/talent
- Legal services
- Strategy and operations
- Technology services (full life-cycle technology including advise, implement, and manage)

Deloitte advocates its proposed value of "executable strategy" with a broad services footprint to help clients from strategy development to execution. Deloitte believes that this positioning and its underlying capabilities differentiate it from both the newly rejuvenated consulting offerings of the other

Big Four firms (KPMG, PwC, and EY) and the traditional or pure-play strategy, human capital, and technology competitors. Deloitte is the only firm among the Big Four firms not to have divested its consulting business nearly a decade ago. Deloitte credits its strong growth to its ability to solve its clients' most complex problems via its breadth and depth of services, global reach with local perspectives, industry insights, and client-centric approach.

Deloitte is focused on advancing its core, traditional strengths while investing in an innovation culture to continue to lead its clients through technological disruption, speed of change, and regulatory uncertainty. It is investing significantly in new solutions, models, capabilities, and creative collaborations. For example:

- **Deloitte Digital.** Deloitte Digital combines the strengths of a creative agency, an IT consultancy, and an industry-centric business strategy provider into a single consultancy. Deloitte expects to help clients unleash the business value of these emerging technologies and domains. Deloitte Digital includes Deloitte's online and subscription-based services to support clients' demand for data and advanced analytics and for alternative delivery models. Deloitte Digital recently acquired Banyan Branch, a cutting-edge social media and digital agency.
- **Integrated Market Offerings (IMOs).** Another key output of Deloitte's innovation process is a portfolio of global integrated market offerings in which the firm integrates skills from a variety of practices and geographies across its service lines. Deloitte has a mature set of global IMOs through which it has enjoyed good momentum in the past several years while stimulating shared growth with its business advisory business. These IMOs include such areas as analytics, finance transformation, M&A, and risk.
- **Deloitte Greenhouses.** Deloitte Greenhouses are a global network of flexible, physical environments that help the firm's clients and their people accelerate the development of innovative solutions and advance client relationships through a differentiated, branded Deloitte experience. For example, Deloitte delivers its CFO Transition Lab in the Greenhouse environment.
- **Exclusive relationships.** Deloitte is entering into exclusive relationships with organizations, academic institutions, and networks and is expanding the boundaries of its talent ecosystem. These cutting-edge relationships include 3D Systems, 10EQS, Kaggle, FutureWorld, MIT Media Lab, and Singularity University and XPRIZE.

Deloitte has industry specialties in all major sectors, including consumer business and transportation, energy and resources, financial services, life sciences and healthcare, manufacturing, public sector, real estate, technology, and media and telecommunications. Deloitte continues to evolve its industry model, serving 28 micro-industry sectors across capabilities and geographies.

Deloitte is recognized as an employer of choice, as evidenced by its recognition in many independent rankings in North America, Europe, the Middle East, and Asia. Deloitte is known for promoting flexibility and customization for each individual employee's career path via its Mass Career Customization (MCC) program and its development and adoption of corporate lattice career model where employees no longer move up and out in the antiquated "corporate ladder" structure but move more fluidly and flexibly throughout the organization as desire and demand requires. Deloitte has also made significant investments in training and education for its employees with Deloitte University, a state-of-the-art leadership development center near Dallas, Texas. Deloitte University served more

than 50,000 professionals from 70 countries over the past year. Deloitte is currently assessing extensions in Europe and Asia/Pacific.

Deloitte's growth is both organic and through acquisition in key areas. Deloitte is investing in certain priority markets, announcing a combined \$750 million investment over the next 3 years in 11 strategic markets. The investment program aims to expand client service and industry capabilities, bolster the hiring and deployment of top talent, and cultivate innovative new services and multidisciplinary offerings. In its last reported fiscal year 2013, Deloitte successfully completed 25 strategic acquisitions and made 54 significant team hires in its developed markets as well as Deloitte's priority markets and capability areas. Deloitte focused on acquiring assets of strategic importance such as digital, analytics, legal, strategy, security, and risk. Several of the more high-profile transactions from the past year were:

- **Monitor.** The acquisition of Monitor, one of the world's leading strategy consulting firms, not only solidified Deloitte's position in strategy consulting but also further strengthens Deloitte's advise through execution of value propositions.
- **Bersin.** Bersin, a leading provider of research-based membership programs and advisory services in the human resources, talent, and learning market, joined Deloitte's Human Capital practice, furthering Deloitte's investment in asset-based businesses.
- **Vigilant, Bugoroo, and MN Security.** These three acquisitions made in the security and privacy space position Deloitte for significant growth in security monitoring and cyberthreat intelligence.
- **BIO Intelligence Service (IS).** The acquisition of BIO IS added 65 France-based sustainability consultants to Deloitte, making Deloitte a significant player in the European sustainability consulting marketplace. BIO IS brings specific public sector and policy strengths to Deloitte, with signature clients including the European Commission and European Parliament. BIO IS has deep technical expertise in life-cycle assessments (LCAs), eco-labeling, and data reporting.

Note: As with the other Big Four, Deloitte does not provide consulting services to its audit or attest clients but does benefit from the strong client relationships it has established with audit customers.

Worldwide, Deloitte is viewed as a "well-known brand that delivers quality services," according to client feedback.

Strengths

Worldwide, Deloitte is regarded as among the best of all firms at delivering value-creating innovation and at helping its clients manage risk and transform significant processes.

In EPM consulting, Deloitte is seen as most capable of all firms at providing the necessary spectrum of business consulting services. Clients view Deloitte as among the most capable at leveraging appropriate analytics in an engagement, integrating the company's project team with the clients, and implementing risk awareness and solutions within other consulting engagements. In addition, Deloitte is also described as among the most capable at leveraging local and global staff appropriately, supporting business change across an organization, and transferring knowledge to the client.

Deloitte is seen as better than many of its peers at helping clients manage enterprise performance risk, reduce costs in EPM projects, and transform performance management processes. Deloitte is also viewed as above average in the areas of delivering value-creating innovation, directly improving overall commercial performance, maximizing the value of a project, and providing functional, technical, or industry insights and competence.

Challenges

In identifying opportunities for improvement, Deloitte is perceived as somewhat less capable than its peers at helping enterprises use EPM to comply with regulations, helping organizations leverage EPM talent, and helping organizations improve operational efficiency.

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 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 the 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, EY, KPMG, and 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 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 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 study 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.

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