

PERCEPTIONS OF CONSULTING IN THE ENERGY & RESOURCES INDUSTRY



Assesses the reputation of consulting firms,
as seen by clients

EXECUTIVE SUMMARY

Clients in the energy & resources industry are less likely to be impressed with the quality on offer from consulting firms than their counterparts in any other industry but are more likely to be impressed with the value that consultants deliver than anyone else.

Odd? Yes. But if our research into client perceptions has taught us anything, it's that relationships you assume should exist (like the one between quality and value, for instance) often don't. Or at least are more complex than you might imagine.

There are three firms that get talked about more than any other in the energy & resources industry: IBM Global Business Services (IBM GBS), KPMG, and McKinsey. But of those, only IBM GBS successfully converts mindshare into what we might call heart-share. It's the most respected consulting firm from the perspective of quality, is well-regarded for the value it delivers, and is among the firms that clients are most likely to recommend. This, plainly, is the star of the energy & resources industry.

Meanwhile, against a backdrop of positive feelings about the value consulting firms deliver, Bain & Company stands out. It also stands out as one of few strategy firms about which clients have much that's very positive to say at all: A combination of strategy being de-prioritised in favour of cost cutting and a perceived inability to implement seem to be hurting the prospects of strategy firms. Indeed, strategy is the service line about which energy & resources clients are least likely to be positive.

All of which reveals clients in the energy & resources sector to be a pragmatic bunch in a pragmatic mood. Indeed, perhaps the answer to why perceptions of value are so high (when quality is thought of so poorly) tells us more about clients than it does about suppliers: Just as they're being squeezed, so they're squeezing everything they can out of consulting firms. And perhaps the best news for consulting firms is that they appear to be happy with what they're getting.

CONTENTS

Executive summary	2
Methodology	4
Definitions of industries and services	8
The big picture: overall perceptions of consulting in the energy & resources industry	10
Mindshare: Who are energy & resources clients talking about?	10
Top rated firms for overall quality in energy & resources	11
Top rated firms for value in energy & resources	16
Most recommended firms	19
<i>Tell me something I don't already know</i>	22
Top rated firms by service	23
Financial management	23
Business transformation	24
Digital technology & transformation	26
Data & analytics	27
Existing technology	28
Risk & regulatory	29
Sales & marketing	30
Operational improvement	31
Business strategy	32
HR & change management	33
<i>What's wrong with strategy firms?</i>	34
Firm-by-firm analysis	35
How to use this section	35
Accenture	36
Aon Hewitt	37
A.T. Kearney	38
Bain & Company	39
The Boston Consulting Group	40
Capgemini Consulting	41
Deloitte	42
EY	43
Hay Group	44
IBM Global Business Services	45
KPMG	46
McKinsey & Company	47
Oliver Wyman	48
PwC	49
Roland Berger	50
Strategy&	51
Towers Watson	52
About the author	53
Index	54
Client Perception Programme	55
About Source	56

METHODOLOGY

Who did we talk to?

We have 557 responses from our survey of executives, directors, and senior managers in the energy & resources industry in November and December 2015, all of whom have been responsible for buying substantial volumes of consulting services in the previous year. They represent a wide range of industries and business functions, and 84% work in organisations that generate more than \$500m in revenue.

Figure 1

Respondents' level of responsibility

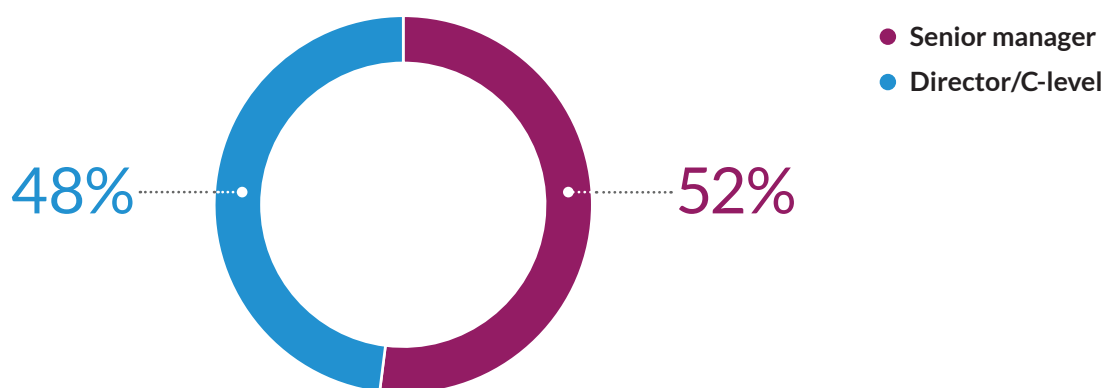


Figure 2

Respondents by function

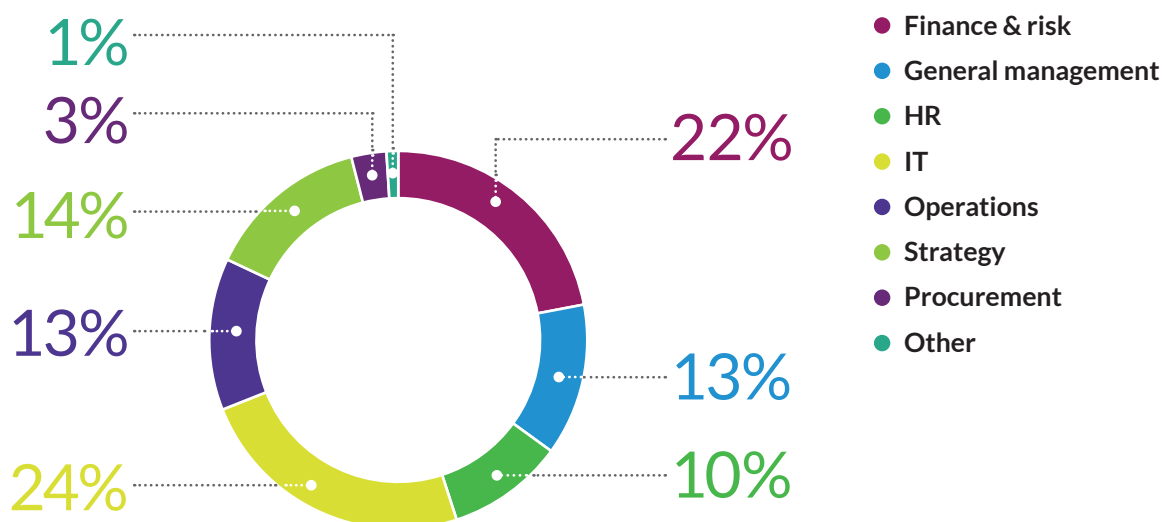


Figure 3

Respondents by organisation size (revenue)

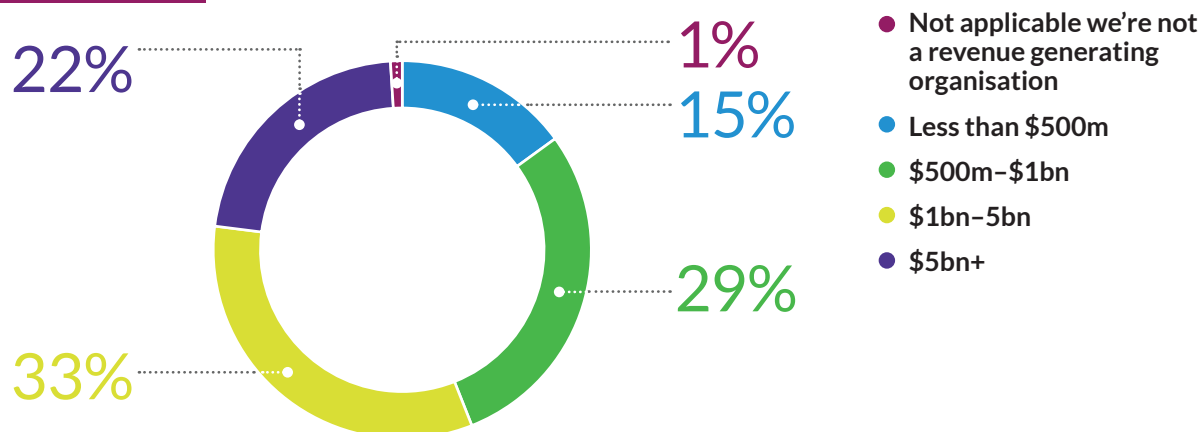
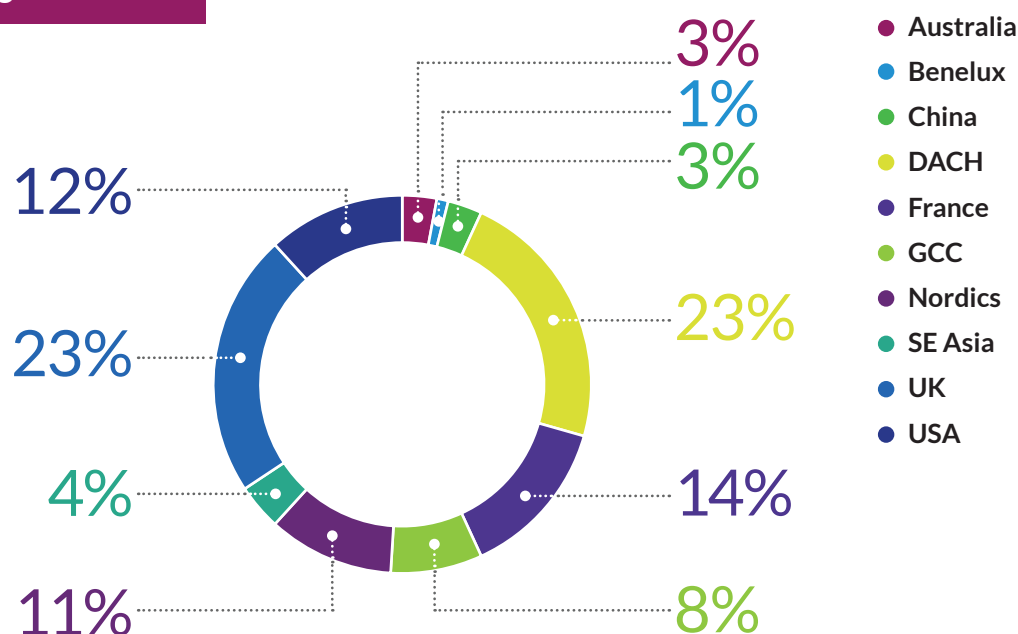


Figure 4

Respondents by geography



What did we ask them?

Each respondent was asked to tell us about three consulting firms and was presented with a list of 21 leading consulting firms. Clients did have the opportunity to tell us about consulting firms that weren't on the list, but this report focuses on the firms for which the number of responses was sufficient for us to carry out detailed analysis.

We asked each respondent to share their views on each of the three firms selected, focusing on the following areas:

- **Quality:** Their perception of the quality of service provided by each firm in 10 different consulting services
- **Value:** Their view of how much value each firm added in relation to the fees paid for its services
- **Recommendations:** Whether they have recommended any of these firms for any consulting service
- **Attributes:** How they rate each firm and the individuals from it across a range of attributes

Which firms are included in this report?

Clients were asked to select three firms from a list of up to 21 leading consulting firms. Where we have sufficient data, we've provided a detailed profile of each at the end of this report.

BearingPoint, L.E.K., Mercer, and PA Consulting are not included in this analysis. While we have data on these firms, we did not ask about them in every region as we did with the other firms in this list. In the interest of making our analysis and comparisons fair, these four firms are excluded from the calculations of averages and overall scores in this report.

Firm	Did we ask about this firm in this market?	Included in general analysis?	Detailed profile available?
Accenture	✓	✓	✓
Aon Hewitt	✓	✓	✓
A.T. Kearney	✓	✓	✓
Bain & Company	✓	✓	✓
BearingPoint	✓	✗	✗
The Boston Consulting Group	✓	✓	✓
Capgemini Consulting	✓	✓	✓
Deloitte	✓	✓	✓
EY	✓	✓	✓
Hay Group ¹	✓	✓	✓
IBM Global Business Services	✓	✓	✓
KPMG	✓	✓	✓
L.E.K.	✓	✗	✗
McKinsey & Company	✓	✓	✓
Mercer	✓	✗	✗
Oliver Wyman	✓	✓	✓
PA Consulting	✓	✗	✗
PwC	✓	✓	✓
Roland Berger	✓	✓	✓
Strategy&	✓	✓	✓
Towers Watson	✓	✓	✓

How we rank firms in this report

In this report, we reveal the top-ranked firms in four areas: mindshare, quality, value, and most recommended firm. We look at the top-ranked firms overall, but where we can, we also split the data to look at perceptions in each consulting service, and by type of client. In breaking down the data to this level, our sample sizes can become quite small, so where it isn't big enough for us to be confident to make a ranking, we've declined to do so. If you have questions about anything we've omitted from this report, please contact [Sarah Burgess](#).

Mindshare: We base our rankings on the numbers of respondents talking about each firm, relative to each other. To calculate that, we awarded a score of 100 to the most-mentioned firm and work out how many times each other firm was mentioned in relation to it.

¹ Our survey was launched before Korn Ferry's acquisition of Hay Group completed in December 2015.

Quality: We base our rating on the sum of the proportion of people who describe quality as either “high” or “very high”. Where that produces an equal result between two firms, we take into account the share who have described quality as “very high” to determine the order in which they are ranked.

Value: We base our rating on the sum of the proportion of people who say that the value a firm delivers is greater (to any extent) than the fees it charges. Where that produces an equal result between two firms, we take into account the extent to which value is seen to be greater than fees (respondents had the choice of saying it was twice, five times, or ten times greater than fees) to determine the order in which they are ranked.

Most recommended: We base our ranking on the proportion of people who say they have recommended a firm. Where that produces an equal result between two or more firms, those firms simply tie.

New for 2016:



The Source badge—an award given to those firms that have been rated number one by clients in a given region/industry for mindshare, quality, and value. If your firm has a badge next to its name and you'd like to find out more about how to use it externally, please contact [Ella-Sian Jolley](#).

The difference between direct and indirect clients

We talk about two types of clients in this report: direct and indirect.

Direct clients are clients who either have very recent experience of working with the firm they chose to tell us about or are working with it now.

Indirect clients are clients who feel qualified to share an opinion about a firm but aren't among its direct clients. They may have had exposure to the work the firm has done elsewhere in their organisation or have simply formed an impression based on reading a firm's thought leadership or being exposed to its marketing in some other form. In simple terms, indirect clients are prospects.

The differences between the opinions of these two types of clients tell us a lot about the differences between expectation (indirect clients) and reality (direct clients). But it also tells us something about the differences between a firm's marketing and what it actually delivers.

Discover more online

The data contained and referred to within this report is also available online, where it can be sorted and filtered according to your preferences. In fact, some of the charts contained in the report link directly through to the online database. Note that wherever you see a quickcode next to the title of a chart, that code can be entered into the search function of the database to reproduce exactly the same chart.

When you log on, you'll notice that in some areas there's data that's in a faded grey colour. This is where we have data, but it's not a big enough sample to include in a ranking in this report. Nonetheless, we share it online in case you do want to see what, for example, indirect operations clients in the public sector (or a similarly complex split) think of a particular firm. If you have any questions about any of the data, please contact [Sarah Burgess](#).

To find out how you can get access to the online database, please contact the person in your organisation who bought the report or email ella-sian.jolley@sourceglobalresearch.com

Definitions of industries and services

Industries



Energy & resources

Energy

Includes the exploration and production of energy, including oil, gas, coal, and renewables.

Utilities

Includes the delivery of electricity, gas, water, sanitation, and other related services.

Primary resources

Includes agriculture, chemicals and chemical products, commodities, forestry, fishing, metals, mining, and plastics.



Financial services

Banking

Includes retail banking, commercial banking, and lending.

Insurance

Includes general insurance (e.g., motor, home, pets, health—anything on an annual contract), life insurance, pension products, retirement planning.

Private equity

Includes both consulting work for private equity firms and consulting work with private equity portfolio businesses.

Capital markets

Includes investment banking, trading of stocks and financial products, corporate finance, and broking.

Investment and wealth management

Includes private banking, high net-worth banking, investment management, trust funds, the management of pension funds, and asset management.



Manufacturing

Aerospace

Includes space research and technology, the manufacture of aircraft, aircraft parts, rockets and other space equipment, and tanks and ammunition.

Automotive

Includes the manufacture of motor vehicles, industrial vehicles, and vehicle supplies and parts.

Construction

Includes surveying, architectural, and engineering services, heavy construction, house building, and the building of infrastructure.

Consumer packaged goods

Includes the manufacture of clothes, foods, alcohol, tobacco, furniture, home furnishings, cleaning products, small arms, children's toys, and sports equipment.

Consumer and industrial electronics

Includes electrical components, household and industrial appliances, commercial and professional equipment.

Industrial products

Includes industrial machinery, steel and metal products, and plastic products.



Pharma & biotech

Includes research into and the production of drugs, biological products, medicinal chemicals, and life sciences.



Healthcare

Includes private- and publicly-funded healthcare, hospitals, laboratories, and medical equipment.



Public sector

Government

Includes federal/national, state/regional, local government, emergency services, justice, social services, public transport, and conservation.

Education

Includes public and private schools, universities, and libraries.

Defense

Includes national security and consulting around defense issues.



Retail

Includes the selling of clothes, food, consumer goods, and automobiles.



Services

Logistics

Includes warehousing, storage, packing and crating, and distribution including cargo, freight, and haulage.

Business services

Includes services relating to law, accountancy, IT maintenance, security systems, advertising, employment agencies, and vehicle leasing.

Leisure

Includes museums, art galleries, theatre, golf courses, hotels, hospitality, travel agencies, restaurants, and bars.

Real estate

Includes estate agencies and operators of residential and commercial buildings.

Transportation

Includes private and people-related transportation, including airlines, airport management, train operators, rail infrastructure management, water transportation, courier services, and private bus services.



Technology, media & telecoms

Telecoms

Includes telephone, mobile, digital, and other communication services.

High-tech

Includes IT related devices, computer and computer related devices, audio and video equipment, broadcasting and communication equipment.

Media

Includes radio, television and digital broadcasting stations and services as well as printing and the publishing of newspapers, periodicals, and books.

Services



Financial management

Includes finance function and budgeting/financial planning process.



Risk & regulatory

Includes responding to regulation, technology and security risk services, operational risk, financial risk, programme risk.



HR & change management

Includes HR strategy and effectiveness, benefits, compensation and pensions, change management, internal communications, organisational design and culture, stakeholder management, team effectiveness and collaboration, leadership and governance, performance management, talent management/training and development.



Operational improvement

Includes business continuity and recovery, knowledge management, Lean and Six Sigma, property and estate management, quality and performance management, supply chain management, cost-cutting, innovation, M&A integration, managing quality, post-M&A integration, process design and re-engineering, procurement/purchasing, research and development, benchmarking, distribution strategy, environmental, sustainability and CSR, and operational review.



Strategy

Includes business and financial modelling, corporate re-structuring, corporate recovery and turnaround, corporate strategy, market analysis and strategy, market research, policy formulation, strategic sourcing/offshoring strategy, due diligence and valuation, infrastructure/asset financing and management, PFI, mergers and acquisitions, customer service, new product development, branding, marketing and channel management, customer relationship management, pricing, sales force effectiveness, category management, sales and distribution planning.



Technology

Includes ERP consulting, IT training, application of new technology, hardware/software selection, IT design and build, IT strategy, planning and review, IT testing and integration, management information and business intelligence, requirements definition, web and internet consulting, project and programme management (e.g., where consulting firm has been engaged to run a specific project that it is otherwise not involved in).

INDEX

A

Accenture 6, 10, 11, 12, 13, 14, 17, 22, 24, 25, 26, 27, 28, 31, 32, 36, 41

Aon Hewitt 6, 11, 12, 13, 16, 17, 22, 23, 24, 25, 29, 30, 31, 33, 34, 37, 44

A.T. Kearney 6, 12, 17, 26, 33, 34, 38, 50, 51

B

Bain & Company 2, 6, 12, 14, 16, 17, 18, 20, 22, 27, 28, 29, 30, 33, 34, 39, 40, 47, 50, 51

BearingPoint 6

The Boston Consulting Group 6, 12, 17, 18, 20, 33, 34, 40, 47

C

Capgemini Consulting 6, 12, 14, 15, 16, 17, 24, 25, 28, 39, 41, 44

D

Deloitte 6, 12, 13, 17, 23, 24, 28, 29, 32, 33, 36, 42

E

EY 6, 12, 14, 15, 17, 18, 19, 21, 22, 23, 24, 25, 27, 28, 29, 30, 32, 33, 43, 44, 49

H

Hay Group 6, 12, 13, 17, 20, 22, 23, 24, 25, 26, 29, 30, 31, 32, 33, 34, 44, 52

I

IBM Global Business Services 2, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 37, 42, 45

K

KPMG 2, 6, 10, 12, 17, 18, 29, 31, 32, 46

L

L.E.K. 6

M

McKinsey & Company 2, 6, 10, 12, 17, 18, 20, 33, 34, 47

Mercer 6

O

Oliver Wyman 6, 12, 17, 19, 20, 21, 22, 23, 24, 26, 30, 31, 32, 33, 44, 48, 49, 50, 51

P

PA Consulting 6

PwC 6, 10, 12, 16, 17, 20, 29, 49

R

Roland Berger 6, 12, 16, 17, 34, 50

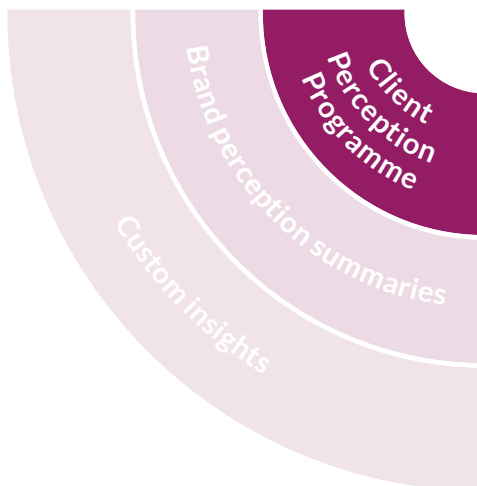
S

Strategy& 6, 12, 17, 19, 20, 22, 32, 33, 34, 48, 50, 51

T

Towers Watson 6, 12, 17, 18, 52

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For more details about how you can subscribe please contact [Alice Noyelle](#).

The newest of our major research programmes, our *Client Perception Programme* is a suite of eleven reports which assess the reputation of consulting firms, as seen by clients.

At the heart of the programme are two important questions:

- What is the reputation of a consulting firm?
- What do clients think about the quality of service and the value added by consulting firms?

The first section of each report looks at the perceptions of clients in the market as a whole (either by geography or industry) and ranks the top three firms in each of the following areas: mindshare (how likely clients are to be thinking about a consulting firm), quality, value added, and likelihood to be recommended. The report then looks at perceptions by consulting service (and where relevant, by industry), ranking the top three firms for each. In our analysis we draw on our extensive knowledge of the consulting market to explain why particular firms are perceived as they are, and highlight interesting stories within the data along the way.

Finally, the report looks at clients' perceptions of individual firms in the relevant market. It compares each firm's mindshare, quality, and value perceptions with those of the leading firms, as well as comparing the views of direct and indirect clients to highlight the challenges that need to be addressed either during a project, or by marketing. The report also highlights which services clients are recommending each firm for, and what they perceive to be each firm's strongest attributes.

The *Client Perception Programme* can help you to:

- Understand how your consulting firm compares with competitors in the market
- Understand what clients and prospects see as your core strengths
- Where your clients think you can improve, and where they want you to make improvements

Geographies and industries covered in this Programme:

GCC	Energy & resources
US	Financial services
UK	Perceptions of procurement
The Nordics	Technology, media & telecoms
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About Source

Source Global Research is a leading provider of information about the market for management consulting. Set up in 2007 with offices in London and Dubai, Source serves both consulting firms and their clients with expert analysis, research, and reporting. We draw not only on our extensive in-house experience but also on the breadth of our relationships with both suppliers and buyers. All of our work is underpinned by our core values of intelligence, integrity, efficiency, and transparency.

Source was founded by Fiona Czerniawska and Joy Burnford. Fiona is one of the world's leading experts on the consulting industry. She has written [numerous books](#) on the industry including: [The Intelligent Client](#) and *The Economist* books, [Business Consulting: A Guide to How it Works and How to Make it Work](#) and [Buying Professional Services](#).

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