

PERCEPTIONS OF CONSULTING IN GERMANY



Assesses the reputation of consulting firms,
as seen by clients

EXECUTIVE SUMMARY

If there is one standout message that emerges from our analysis of the 2016 German client perception data, it's the growing battle between strategy and technology firms to be front of mind among German clients. Strategy firms have traditionally been at the heart of this market, and clients have trusted those firms to guide them through the challenges of recent years. But as German clients have begun to climb aboard the digital bandwagon, so the dynamic in the market has started to change. Strategy firms still feature prominently in our quality rankings, but now every single service line we cover also finds at least one technology firm sitting among clients' top three picks. Not only that, but in many cases the technology firms are actually earning better marks than strategy firms where quality is concerned. And, while strategy firms might be prepared to concede ground to their technology counterparts in technology-heavy service lines (such as data & analytics), they're likely to be considerably more unsettled at the idea of being bested elsewhere: Indeed, the idea that technology firms are earning praise for their strategy work will doubtless be especially hard to stomach.

Furthermore, it seems that technology firms are coming by this praise honestly. In the course of this study, we've noticed that German clients are not easily swayed or convinced by reputation. In every instance, direct clients—those who are active clients of the firm they choose to tell us about—are considerably more positive than their indirect counterparts (prospects). In other words, German clients want to see a firm deliver before they are ready to sing its praises.

CONTENTS

Executive summary	2	Firm-by-firm analysis	42
Methodology	4	How to use this section	42
Definitions of industries and services	8	Accenture	43
The big picture: Overall perceptions of consulting in Germany	10	Aon Hewitt	44
Mindshare: Who are German clients talking about?	10	A.T. Kearney	45
Top rated firms for overall quality in the German consulting market	11	Bain & Company	46
Top rated firms for overall value in the German consulting market	15	BearingPoint	47
<i>Accenture—bridging the gap between Germany's heritage and future</i>	19	The Boston Consulting Group	48
<i>The domination of technology firms</i>	19	Capgemini Consulting	49
Most recommended firms	20	Deloitte	50
Top rated firms by service	23	EY	51
Financial management	23	Hay Group	52
Business transformation	25	IBM Global Business Services	53
Data & analytics	26	KPMG	54
Operational improvement	27	McKinsey & Company	55
Risk & regulatory	28	Oliver Wyman	56
Existing technology	29	PwC	57
Digital technology & transformation	30	Roland Berger	58
Sales & marketing	31	Strategy&	59
HR & change management	32	Towers Watson	60
Business strategy	33	About the author	61
Top rated firms by industry	34	Index	62
Financial services	34	Client Perception Programme	63
Technology, media & telecoms	36	About Source	64
Services	38		
Manufacturing	40		

METHODOLOGY

Who did we talk to?

We have 1,604 responses from our survey of executives, directors, and senior managers in Germany 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

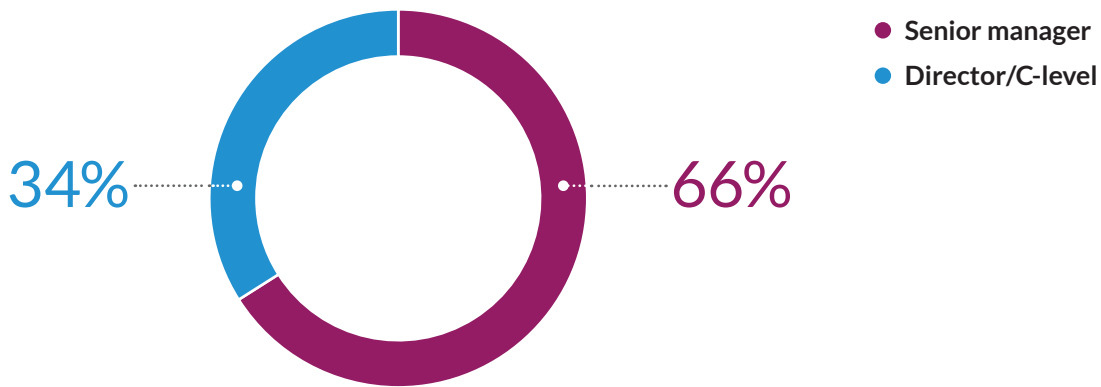


Figure 2

Respondents by industry

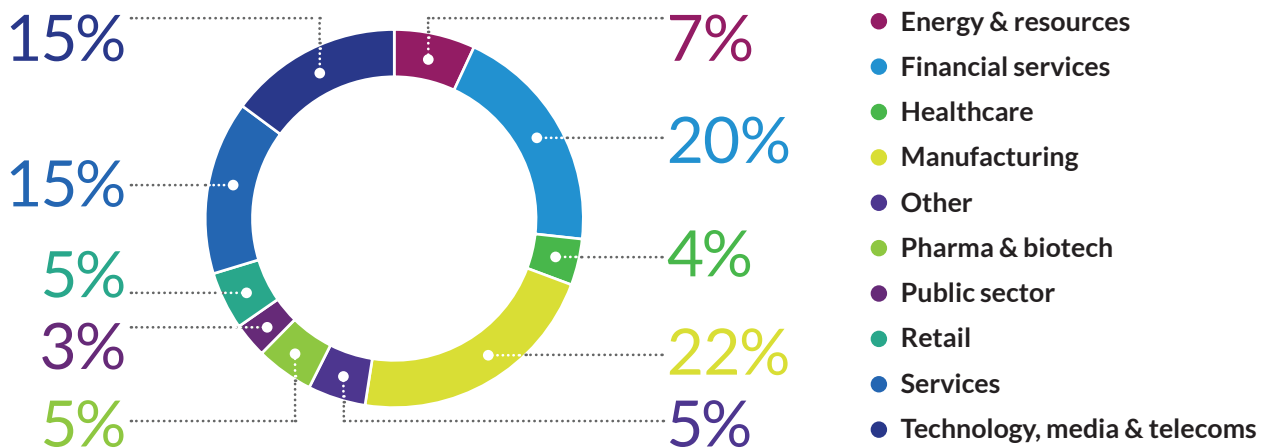
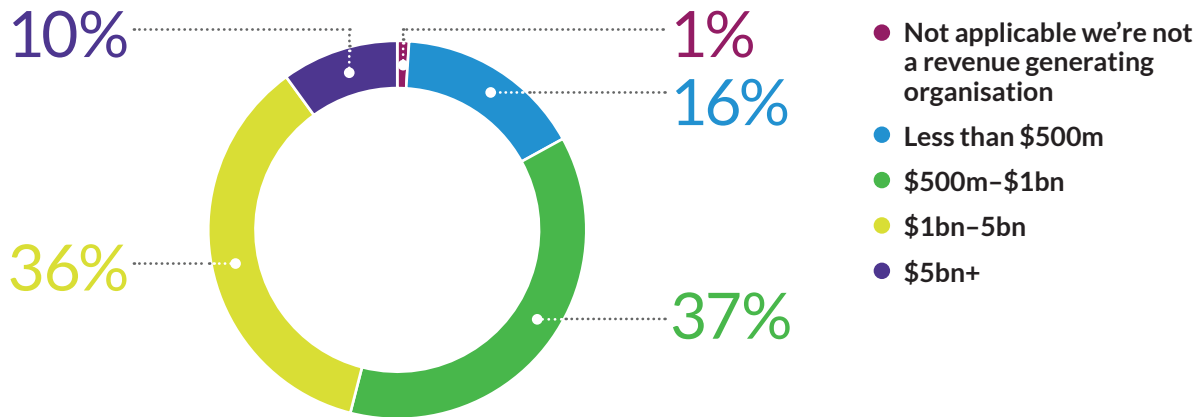


Figure 3

Respondents by organisation size (revenue)



What did we ask them?

Each respondent was asked to tell us about three consulting firms and was presented with a list of 19 leading consulting firms in Germany. 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 ten 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?

For each firm we tried to get responses from at least 20 direct clients and 20 indirect clients, to give the reader a "20:20" rounded view of each firm. In most cases we have several times this amount of data, but for a very small number of firms (three, in this report) we have fallen slightly short of 20 for one type of client. Where this is the case, we've highlighted in the firm's profile. Nonetheless, we do have enough data to provide a detailed profile of each firm we asked about.

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 GBS	✓	✓	✓
KPMG	✓	✓	✓
L.E.K.	✗	✗	✗
McKinsey & Company	✓	✓	✓
Mercer	✓	✗	✗
Oliver Wyman	✓	✓	✓
PA Consulting	✗	✗	✗
PwC	✓	✓	✓
Roland Berger	✓	✓	✓
Strategy&*	✓	✓	✓
Towers Watson	✓	✓	✓

*Please note that A.T. Kearney and Aon Hewitt had just short of 20 indirect clients (17 in each case) talking about the firms, while Strategy& had responses from 18 direct clients and 19 indirect clients.

How we rank firms in this report

In this report, we reveal the top-ranked firms in five 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, by client type, by industry, and by function (that is, looking at how views of respondents in different industries and different business functions vary). 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 making a ranking, we've declined to do so. That means that in this report we are unable to provide a ranking for energy & resources, healthcare, pharma, public sector and retail. If you have questions about the industries 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.

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.

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

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 their 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 quick code 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.

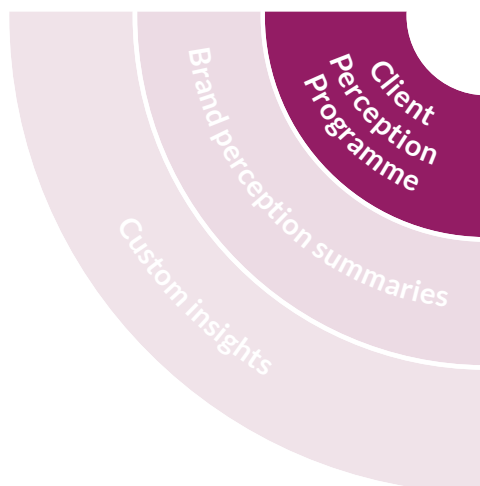


Technology

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, mobile 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, 15, 16, 17, 18, 19, 21, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 40, 41, 43, 47, 49
Aon Hewitt	6, 13, 15, 16, 17, 18, 30, 34, 35, 44
A.T. Kearney	6, 12, 13, 14, 17, 18, 20, 21, 23, 24, 25, 28, 31, 32, 36, 37, 45
B	
Bain & Company	6, 12, 13, 17, 21, 22, 23, 24, 26, 31, 32, 33, 38, 39, 40, 41, 46
BearingPoint	6, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 40, 41, 47
The Boston Consulting Group	6, 10, 13, 17, 26, 33, 48
C	
Capgemini Consulting	6, 13, 16, 17, 19, 20, 21, 22, 23, 24, 25, 28, 30, 35, 36, 37, 40, 41, 49
D	
Deloitte	6, 10, 12, 13, 14, 17, 21, 38, 39, 50, 61
E	
EY	6, 13, 16, 17, 38, 39, 51
H	
Hay Group	6, 13, 17, 40, 41, 52
I	
IBM GBS	6, 10, 11, 12, 13, 14, 15, 16, 17, 19, 21, 25, 26, 27, 29, 30, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 47, 49, 53
K	
KPMG	6, 10, 12, 13, 16, 17, 23, 24, 37, 54, 57
M	
McKinsey & Company	6, 10, 13, 17, 21, 38, 39, 53, 55, 58
O	
Oliver Wyman	6, 13, 17, 22, 49, 56
P	
PwC	6, 10, 13, 15, 17, 27, 34, 35, 57
R	
Roland Berger	6, 10, 13, 17, 36, 37, 38, 39, 58
S	
Strategy&	6, 13, 15, 17, 18, 31, 59
T	
Towers Watson	6, 13, 17, 20, 21, 22, 26, 27, 29, 30, 31, 33, 35, 60



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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

US

UK

The Nordics

Germany

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Energy & resources

Financial services

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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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