EXTRACT

CLIENT PERCEPTION PROGRAMME 2017



PERCEPTIONS OF CONSULTING IN GERMANY

Assesses the reputation of consulting firms, as seen by clients

SOURCE GLOBAL RESEARCH

CONTENTS

Executive summary 3
Methodology 4
How to use this Client Perception Study 8
Definitions of industries and services 10
Overall perceptions of consulting in Germany 12
- Mindshare: Who are German clients talking about? 12
- Top rated firms for overall quality 13
- Top rated firms for value in Germany 17
- Most recommended firms 21

Four things our data tells us about the consulting market in Germany 24
- Technology: an unfamiliar business 24
- A growing acceptance of convergence, but only for some firms 26
- Services that add value 27

Detailed rankings 28
- Quality rankings by service 28
- Quality, value, and recommended firms by industry 29
- Quality, value, and recommended firms by function 31

Firm-by-firm analysis 33
- How to use this section 33
- Accenture 34
- Aon Hewitt 36
- A.T. Kearney 38
- Bain & Company 40
- BearingPoint 42
- The Boston Consulting Group 44
- Capgemini Consulting 46
- Deloitte 48
- EY 50
- IBM Global Business Services 52
- KPMG 54
- McKinsey & Company 56
- Oliver Wyman 58
- PwC 60
- Roland Berger 62
- Strategy& 64
- Willis Towers Watson 66

About the author 68
Index 69
Source report programmes 70
About Source 71

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EXECUTIVE SUMMARY

- Technology and strategy firms are top of mind in Germany's consulting market, with clients choosing to speak most frequently about IBM Global Business Services, followed by Accenture, and McKinsey. Big Four firm KPMG comes in afterwards, with another strategy firm, Roland Berger, following suit.
- Clients in Germany speak fairly positively about the overall quality of consulting services: 63% describe the quality of work as "high" or "very high"—a proportion that's slightly lower than the global market average (66%). Accenture leads the pack, with 69% of its clients describing quality positively across all services, followed by Bain & Company and The Boston Consulting Group.
- Clients in Germany are more positive than those in any other region we survey about the value added by consulting firms. The Boston Consulting Group tops the ranking, with 52% of its clients describing the value it adds as worth more than the fees charged, followed by EY and PwC.
- Despite a fairly consistent average score from service to service, clients do see a variation in the quality on offer in each. More familiar services, like risk & regulatory work, business strategy, and financial management, see lots of firms scoring similarly, while unfamiliar areas like digital technology & transformation and data & analytics see a wider range between the top- and bottom-ranked firms.
- Convergence has been blurring the previously clearly demarcated lines between which firms do what for some time, but it seems that clients in Germany are only fully trusting strategy firms to take the reins in non-native areas. Strategy firms are top-ranked in several technology-heavy services, while other firms fail to make as much of an impression outside their "traditional" services.
- The factors that cause clients to speak positively about the value added by a consulting firm are notoriously complicated, but our research has uncovered a correlation between clients using digital, data & analytics, and risk services and positive perceptions of value.

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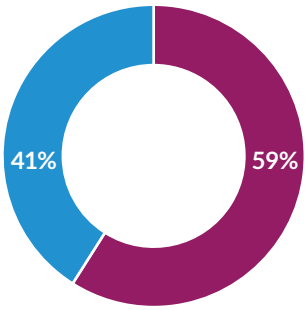
METHODOLOGY

Who did we talk to?

We have 1,545 responses from our survey of executives, directors, and senior managers in Germany in November and December 2016, 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 87% work in organisations that generate more than $500m in revenue.

Figure 1

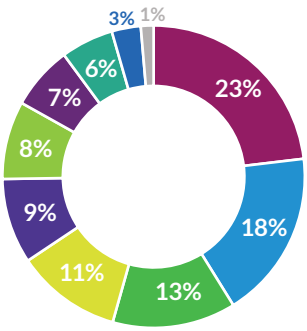
Respondents by level of responsibility



- Director/C-level
- Senior manager

Figure 2

Respondents by industry



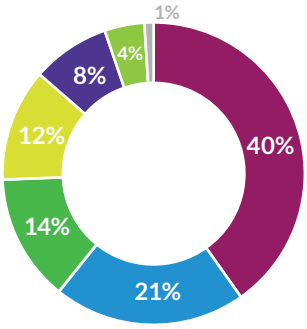
- Manufacturing
- Financial services
- Technology, media & telecoms
- Services
- Energy & resources
- Pharma
- Healthcare
- Retail
- Public sector
- Other

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Figure 3

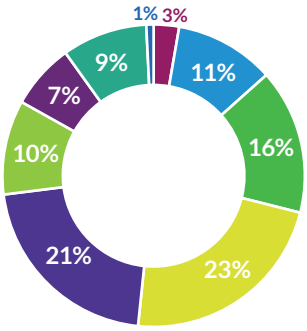
Respondents by function



- IT
- General management
- Finance & risk
- Operations
- Strategy
- Human resources
- Other

Figure 4

Respondents by organisation's revenue



- Less than $100m
- $101m–$500m
- $501m–$750m
- $751m–$1bn
- $1.1bn–$3bn
- $3.1bn–$5bn
- $5.1bn–$10bn
- $10bn +
- Not applicable—we're not a revenue generating organisation

What did we ask them?

Each respondent was asked to tell us about three consulting firms and was presented with a list of 18 leading consulting firms in Germany. We focus respondents on the world's leading consulting firms to ensure we have sufficient responses to carry out a 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 their 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.

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Which firms are included in this report?

Firm	Did we ask about this firm in this market?	Data included in market average scores?	Detailed profile available?
Accenture	✔	✔	✔
Aon Hewitt	✔	✔	✔
A.T. Kearney	✔	✔	✔
Bain & Company	✔	✔	✔
BearingPoint	✔	✔	✔
The Boston Consulting Group	✔	✔	✔
Capgemini Consulting	✔	✔	✔
Deloitte	✔	✔	✔
EY	✔	✔	✔
IBM Global Business Services	✔	✔	✔
Korn Ferry Hay Group	✔	✔	✘
KPMG	✔	✔	✔
L.E.K.	✘	✘	✘
McKinsey & Company	✔	✔	✔
Oliver Wyman	✔	✔	✔
PA Consulting	✘	✘	✘
PwC	✔	✔	✔
Roland Berger	✔	✔	✔
Strategy&	✔	✔	✔
Willis 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, 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 five industries (retail, pharma, public sector, healthcare, and services) and two functions (HR and operations). If you have questions about the industries we've omitted from this report, try visiting our online portal (see page 9), where you'll be able to see all the data we have in one place. If you have further questions, please contact info@sourceglobalresearch.com.

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.

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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.

Advertising these findings:

Firms like to use these findings in their own marketing and KPIs. Source's marketing licence allows you to publicise your ranking in advertising, editorials, presentations to external clients, below your email signature, and on your corporate website. The licence also allows you to use the Source "badge" within these. The badge is given to those firms that have been rated number one, two, or three by clients in a given sector/ region for mindshare, quality and value.

Both the licence and the badge are valid for 24 months, and for more information, please contact Ella-Sian Jolley, or click here.



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HOW TO USE THIS CLIENT PERCEPTION STUDY

It's very important to be clear about what our Client Perception Studies are, and are not:

What they're not are exhaustive studies of clients' opinions about specific firms that remain statistically robust when filtered to provide detailed data about views at a very granular level of the market. So if, for instance, you want statistically robust data about what clients in the pharma sector in Germany think about McKinsey's operational improvement capabilities, you won't find it in these reports. We do profile individual firms in our reports to the extent we can—indeed this remains one of the most popular parts of the reports with readers—and we do, separately, provide Brand Perceptions Summaries of the world's leading consulting firms, but our Client Perception Studies are not designed to replace the sort of in-depth client research that many firms carry out (and often ask us to carry out for them).

What they are designed to do is provide a snapshot of views within a particular consulting market at a point in time. What they lack in detail about individual firms they make up for in three important ways:

- **A multi-firm view**. Our reports enable consulting firms to see how they stack up against their competitors in the minds of clients.
- **A view from prospects, not just existing clients**. We include the views of people who aren't current active clients of the firm they're telling us about, enabling us to understand what we tend to think of as a firm's brand pipeline, and to compare the views of prospective and active clients. In doing this last, we're able to assess the extent to which clients' expectations of a firm are met in reality, and how well a firm's marketing and delivery capabilities are aligned.
- **Independence and expertise**. The trouble with conducting your own client research is that clients are often reluctant to express negative views about firms (and people) with whom they've worked closely. They have no such concerns when they're telling us. Added to which, we're able to bring the expertise we've gained over years of analysing the consulting market to bear, helping to interpret the results within the context of the wider market and the strategic priorities of consulting firms.

It's important to remember that this is a study of client perceptions; a summarised view of what we're hearing from the market. It's not Source's view, nor is it a comment on market share or a recommendation to clients about which firms to buy from. The audience of these reports is very much the firms featured in them, and those interested in the strength of the competition in any given market.

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.

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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.

How to access the data

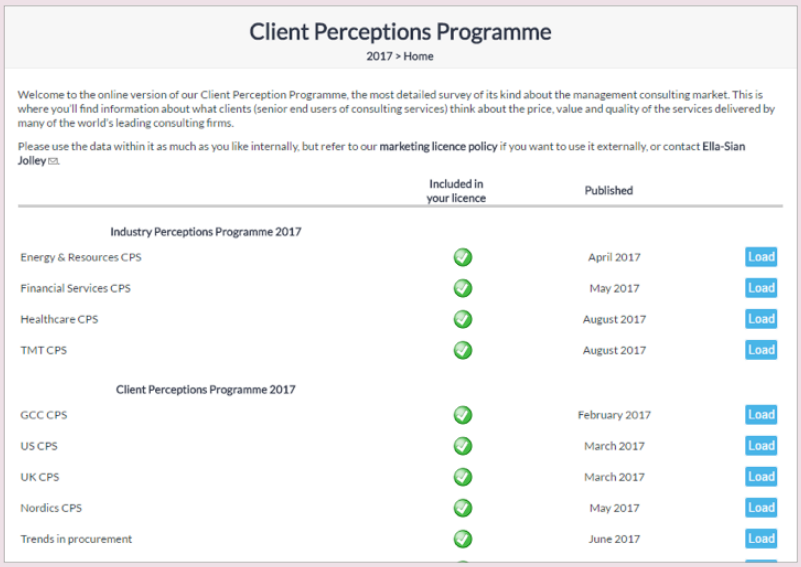
To access the data, you can go to the page where you downloaded this report and click on the "Explore the underlying data" button.



Alternatively, you can visit our website here and log in using the same credentials you use to download the report.

You'll be taken to a landing page (Fig. 5) which will highlight the data you have access to with a green tick.

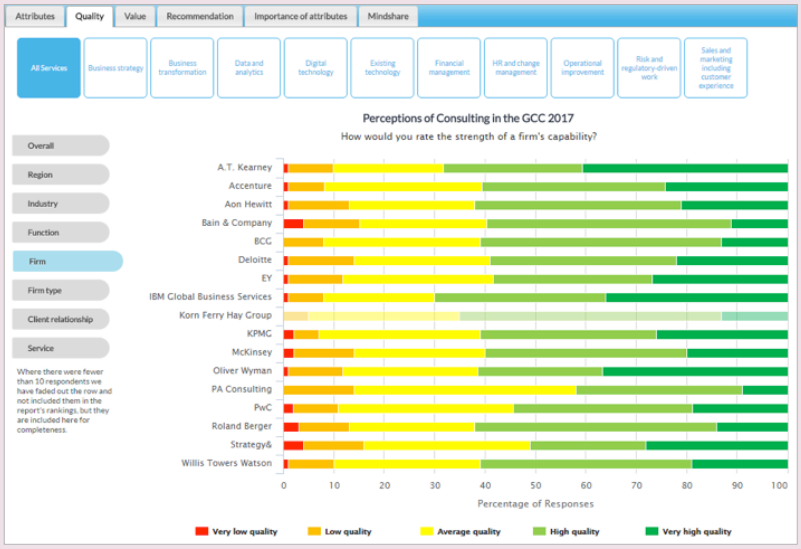
Figure 5 Client Perception Portal landing page



What can I do with the data?

From here, you will be able to filter all the data in this report on each of the key areas: mindshare, quality, value, recommendations, attributes and importance of attributes.

Figure 6 An example of how you can filter our data (please note, dummy data used here)



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 info@sourceglobalresearch.com.

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SOURCE REPORT PROGRAMMES

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CONSULTING MARKET PROGRAMME

- A series of detailed reports that contain the most accurate view available about the consulting market in an extensive list of countries and regions. These explore key themes, provide market sizing data, growth forecasts, and deep analysis, all backed up by extensive quantitative and qualitative research amongst consulting firms and clients.
- As well as our country reports, we also produce a global view of four different industries. These reports contain industry analysis, market sizing data, and growth forecasts at a global level, as well as breakdowns by sub-sector, service, and geography.

STRATEGIC PLANNING PROGRAMME

- A series of reports that take a detailed look at the big trends in the global consulting industry, interpreting them in terms of what they mean for consulting firms and who is best placed to exploit them.

CLIENT PERCEPTION PROGRAMME

- A series of reports based on our huge client survey, that reveal what clients think about the leading consulting firms in a number of regions and industries. We rank the leading consulting firms in terms of clients' perceptions of things like quality and value.
- As part of this programme, we also publish brand perception summaries. These give an in-depth and unique view of the world's leading consulting firms. Available on request.

WHITE SPACE

- A series of reports that analyse the quality and effectiveness of thought leadership. These are included in all White Space subscriptions.

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2017	CONSULTING MARKET PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME	WHITE SPACE
January				Hot topics in thought leadership
February	UK	Forecasts for 2017	GCC	Quality ratings of thought leadership for the second half of 2016
March	France GCC	Mega trend #1: Digital transformation	US UK	Analysis of recent thought leadership
April	Benelux Nordics		Energy & Resources	
May	US Canada	Mega trend #2: Cognitive computing, robotics, AI	Nordics Financial Services	Analysis of recent thought leadership
June	DACH Eastern Europe Russia		Trends in procurement	
July	Italy Spain Australia	Mega trend #3: Assets and productisation		Maximising the impact of thought leadership
August	India		Healthcare TMT Germany	
September	Africa Brazil Energy & Resources	Planning for growth in 2018	France	Quality ratings of thought leadership for the first half of 2017
October	Financial Services China Healthcare			
November	TMT	Mega trend #4: Brand and business models		

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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