EXTRACT

CLIENT PERCEPTION PROGRAMME 2017



PERCEPTIONS OF CONSULTING IN ENERGY & RESOURCES

Assesses the reputation of consulting firms, as seen by clients

SOURCE GLOBAL RESEARCH

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EXECUTIVE SUMMARY

- Clients working in energy & resources are most likely to be talking about Accenture, followed by IBM, perhaps saying something about how high up technology expertise is on clients' agendas these days. McKinsey follows, with Big Four firms KPMG and PwC as the fourth and fifth most spoken about firms.
- Overall, 67% of energy & resources clients describe the quality of consulting firms' work as "high" or "very high". But instead of a sliding scale from top to bottom, clients see two groups of firms: A small group scoring over 70, and then a group of twelve firms that all score slightly lower and sit within a six point range of each other. Roland Berger, Strategy&, and Bain & Company top the ranking.
- Overall, just 33% of energy & resources clients say they get more in value from consulting firms than they charge in fees; the most common response (selected by 48% of clients) is to say that the value added by consultants is worth the same as the fees paid for their services—nothing more, nothing less. The Boston Consulting Group, Capgemini Consulting, and Oliver Wyman are the firms most highly spoken of for the value they add.
- Over time, perceptions of the value added by consulting firms have worsened significantly among energy & resources clients, while remaining steady in the market overall. Part of this is to do with the difficult circumstances many clients still find themselves in, prompting greater scrutiny of consulting projects and costs. It's also probably fair to say than a prolonged focus on cost cutting, particularly among oil & gas clients, has led to fewer opportunities for consultants to add much value.
- It's not a homogenous picture across the world: Energy & resources clients in some of the regions we research are more positive than their peers in other industries about the value added by consulting firms, while the opinions of others sink far lower than the average for their markets.
- The firms that are seen to offer the highest quality work aren't the same ones that are highly rated for the value they add. We explore this in more detail in this report.

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METHODOLOGY

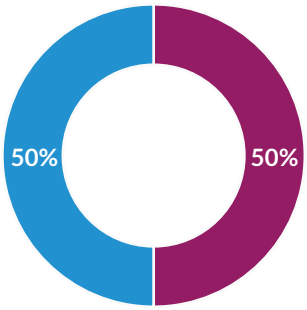
Who did we talk to?

We have 591 responses from our survey of executives, directors, and senior managers in the energy & resources industry 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.

This report also includes qualitative research from interviews carried out in 2016 and 2017 with senior buyers of consulting in the energy & resources industry to bring aspects of our findings to life.

Figure 1

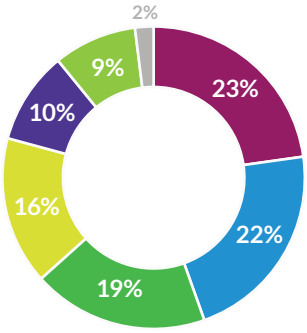
Respondents by level of responsibility



- Director/C-level
- Senior manager

Figure 2

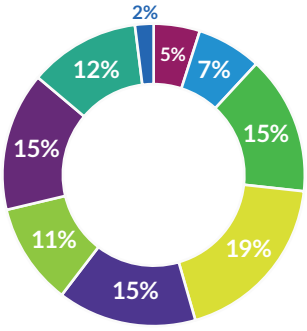
Respondents by function



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

Figure 3

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

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What did we ask them?

Each respondent was asked to tell us about three consulting firms and was presented with a list of between 18 and 20 leading consulting firms, depending on which region they are in. 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 its services.
- **Recommendations:** Whether they have recommended, or would recommend, any of these firms to a colleague or peer.
- **Attributes:** How they rate each firm and the individuals from it across a range of attributes, and what they think the most important attributes of each firm are.

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	✔	✔	✘

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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 country, and by function (that is, looking at how views of respondents in different countries 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 clients working in finance & risk, HR, operations, and strategy functions. We're also unable to provide a country split either. 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.

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 prospects and active clients. In doing this last, we're able to assess the extent to which clients' expectation 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

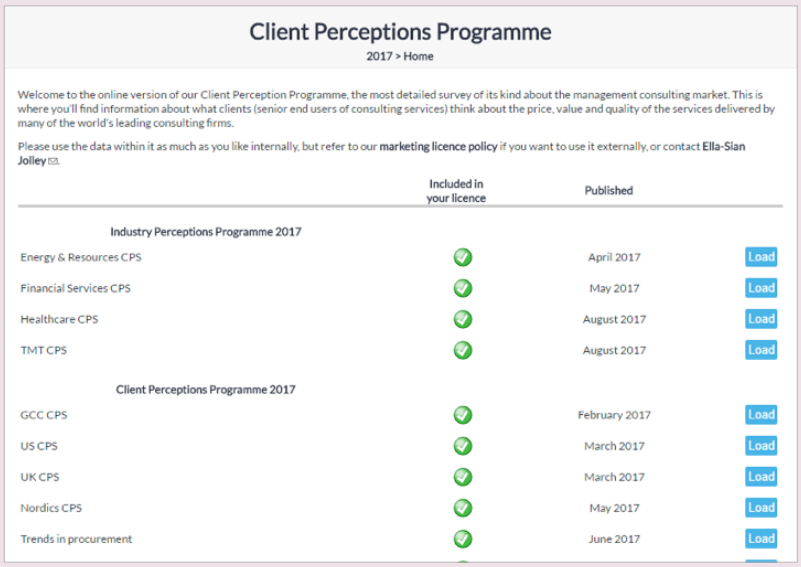
To access the data, you can go to the page where you downloaded this report and click on the "Explore the underlying data" button.



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.

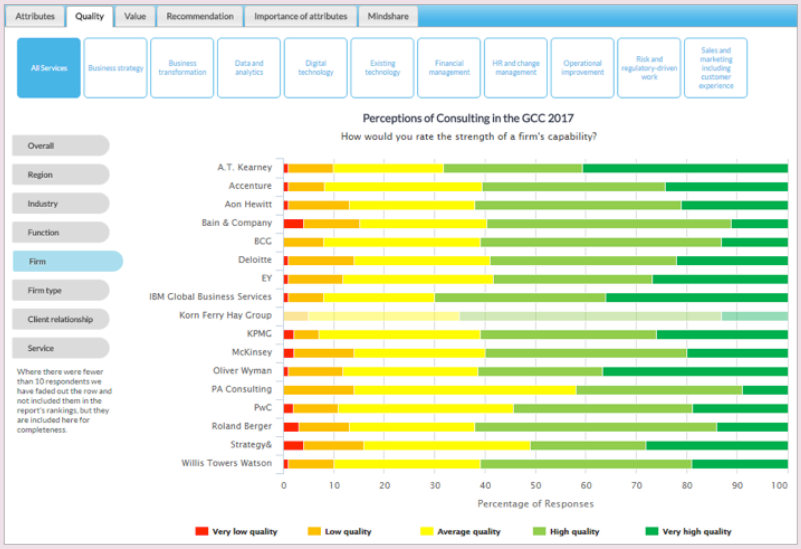
Figure 4 Client Perception Portal landing page



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 5 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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