

EXTRACT

MEGA TREND #1: DIGITAL TRANSFORMATION

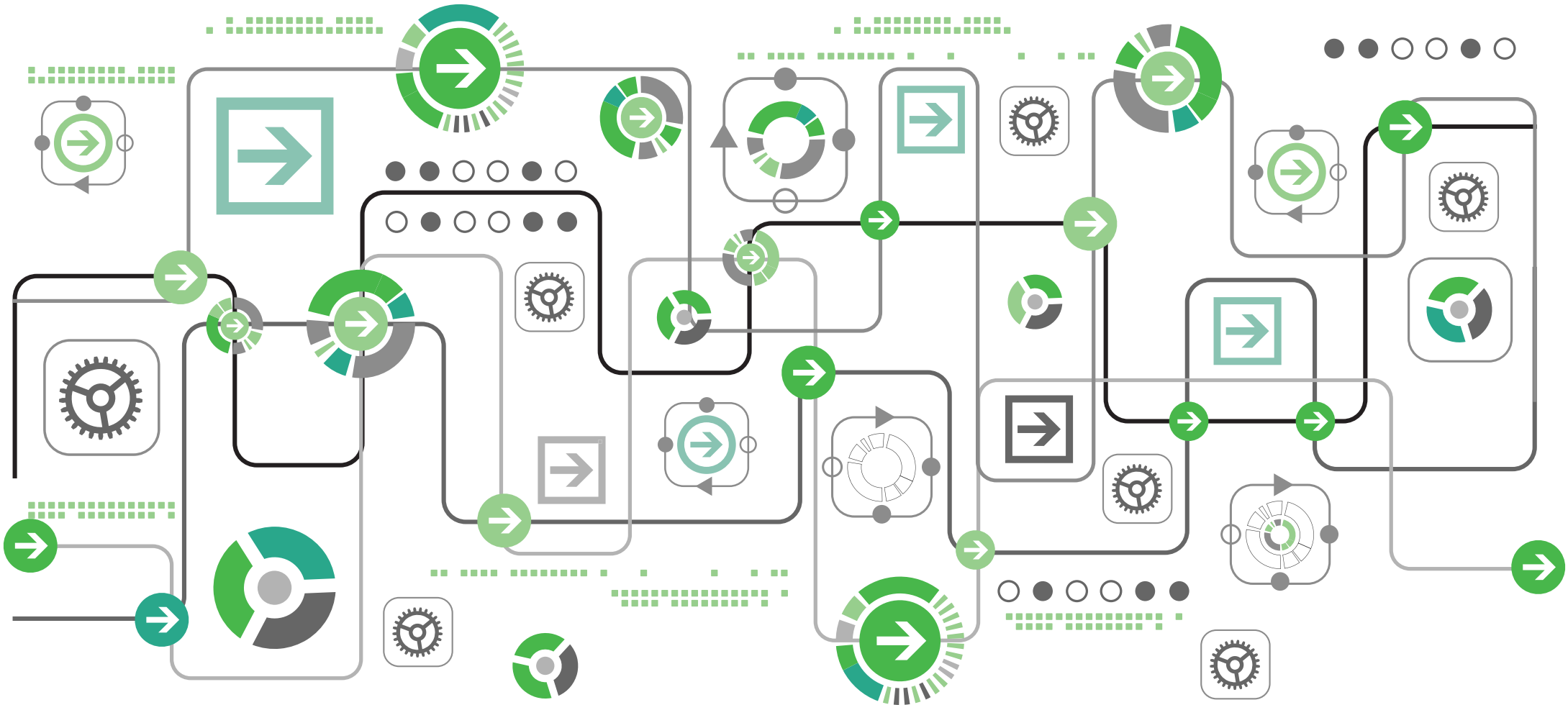
*A global perspective on the size, shape,
and evolution of the consulting market
for digital transformation*



There's never been a better time to be a creator and a maker, especially if you think about the canvas of technology and the things businesses have to create, as well as their desire to know more about their customers and their behaviours, interests, and desires. On the flipside, there's never been a tougher time to be in business, with organisations being constantly disrupted and established value chains being ripped up. We occupy the space between the boundless opportunity and the pervasive threat.

Matthew Candy, IBM iX

MEGA TREND #1: DIGITAL TRANSFORMATION



CONTENTS

| | | | |
|---|----|---|----|
| Our starting point | 5 | Who owns what share of the digital transformation market? | 18 |
| About this report | 6 | <i>A breakdown of market share for the top ten digital transformation firms globally, including: Accenture, Bain & Company, The Boston Consulting Group, Deloitte, EY, IBM, KPMG, McKinsey, Oliver Wyman, and PwC. Also looks at who the hottest firms are in the digital transformation market in the eyes of clients (based on our most recent survey, to which we had 8,046 responses), and considers the extent to which firms are converting client sentiment into market share.</i> | |
| How big is the digital transformation market? | 8 | | |
| <i>Provides data on the size of the global digital transformation market, and a comparison between digital transformation and selected other markets.</i> | | | |
| How big is the market in each geography? | 10 | What has been driving digital transformation? | 22 |
| <i>Provides information about the size of the digital transformation market in the US, Canada, the UK, Benelux, France, DACH (Germany, Austria, Switzerland), the Nordics, the GCC (Saudi Arabia, UAE, Qatar, Kuwait, Bahrain, Oman), India, China and Australia, and shows the proportion of the entire consulting market in each geography represented by digital transformation.</i> | | Where has investment been going? | 28 |
| | | Where will investment go in the future? | 32 |
| How does it compare with other, traditional, consulting services? | 12 | What role do clients want consultants to play in helping them to change business models? | 38 |
| <i>Deals with the blurred lines between digital transformation and other services by providing a breakdown of the digital transformation market by service line (technology, strategy, operational improvement, risk & regulation, financial management, HR & change), and also the share of each of those service lines now represented by digital transformation.</i> | | Who does the demand for advice favour? | 44 |
| | | List of contributors | 56 |
| | | About the authors | 57 |
| | | Source report programmes | 58 |
| | | About Source | 59 |

OUR STARTING POINT

Everything that's happened with digital transformation so far has been the warm-up act, in which clients have used digital technology to facilitate and accelerate existing priorities, like cutting costs or creating a better customer experience. That's all about to change. We stand at the threshold of a new phase in the evolution of the digital transformation story—a phase that will be characterised by clients using digital to change not only how they do things, but what they do, and even who they are. According to clients, what will matter most in this phase is not a consulting firm's technological capabilities but its relationships with their board. Which leads us to the question at the heart of this report: Will strategy firms inherit the digital earth?

ABOUT THIS REPORT

Our report draws on data from three main sources:

1. Our global consulting data model. A bottom-up model of the consulting industry covering 84 countries, 29 sectors, and six major service lines and containing about 9.7m data points.
2. A survey of 150 clients in the US about digital transformation.
3. Our annual global client perception survey, the latest version of which had 8,046 responses.

It's important to note that at the time of writing this report our data about the consulting market in 2016—the year we refer to in talking about the size of the market—is provisional. What you have here is a good guide to the size of the digital transformation market globally, in specific geographies, and in terms of how it interfaces with traditional consulting services lines. But as it pre-dates the publication of our 2017 reports on most geographies around the world, some of the detail is subject to minor changes.

Unless indicated otherwise, survey data is taken from our digital transformation survey (No. 2, above).

*The question of “why” is behind us;
we're now facing the question of “how.”*

Patrick Rouvillois, The Boston Consulting Group

LIST OF CONTRIBUTORS

| Name | Job title | Firm |
|----------------------|---|-----------------------------|
| Samer Bohsali | Partner—Practice Lead, Digital Business and Technology | Strategy& |
| Erik Campanini | Partner | BearingPoint |
| Matthew Candy | Vice President & European Leader | IBM iX |
| Nick Chaffey | Head of Consulting—Services | PA Consulting Group |
| Anita Chandraker | Global Head of Digital Consulting | PA Consulting Group |
| Ben Grinnell | Global Digital & Technology Lead | North Highland |
| Lisa Heneghan | Global Leader of CIO Advisory | KPMG |
| Dan Higgins | Global Advisory Technology Leader | EY |
| Dr Catherine Howe | Digital & Innovations Director | Capita |
| Ludovic de Lamazière | Global Sector Lead and Sales Officer | Capgemini Consulting |
| Philipp Leutiger | Senior Partner | Roland Berger |
| Thomas Puthiyamadam | US Management Consulting Leader, Global Digital Services Leader | PwC |
| Patrick Rouvillois | Digital Venture MD and Digital Transformation expert | The Boston Consulting Group |
| Elizabeth Spaulding | Partner & Leader of Bain's Global Digital Practice | Bain & Company |
| Richard Suhr | Global Advisory Digital Leader | EY |
| Andy Theedom | Market Director for Digital Local | Capita |

SOURCE REPORT PROGRAMMES

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.

| 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 | | |

How to subscribe

You can either subscribe to a whole programme (the cheapest way of getting access to everything) or buy reports individually. All reports in our programmes come with a global licence, so once you've bought them you can use them anywhere in your firm.

What's included

- A global licence
- An executive summary (8-10 pages) highlighting key themes
- Relevant content, updated regularly: blogs, podcasts, and spotlights.

Want to know more?

For more details about how you can subscribe, please contact:

UK, EUROPE, AND US

Alice Noyelle

+44 (0)20 3795 2662

alice.noyelle@sourceglobalresearch.com

MIDDLE EAST

Jodi Davies

+971 52 989 5224

jodi.davies@sourceglobalresearch.com

Or visit our website, have a more in-depth look at what we do, and drop us a question at: www.sourceglobalresearch.com

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](#).

For further information please visit www.sourceglobalresearch.com

UK AND EUROPE

Source Information Services Ltd

📍 20 St Dunstons Hill • London • EC3R 8HL

☎ +44 (0)20 3795 2668

MIDDLE EAST

📍 PO Box 340505 • Dubai • United Arab Emirates

☎ +971 (0)52 989 5224

✉ info@sourceglobalresearch.com

🌐 www.sourceglobalresearch.com

© Source Information Services Ltd 2017

Source Information Services Ltd and its agents have used their best efforts in collecting the information published in this report. Source Information Services Ltd does not assume, and hereby disclaims, any liability for any loss or damage caused by errors or omissions in this report, whether such errors or omissions result from negligence, accident or other causes.

