EXTRACT

CLIENT PERCEPTION PROGRAMME 2018



PERCEPTIONS OF CONSULTING IN GERMANY

Assesses the reputation of consulting firms, as seen by clients

SOURCE GLOBAL RESEARCH

OUR VALUES AND INTEGRITY

Our purpose is to help you grow your business. We aim to provide you with the best data and analysis to help you make the right decisions for your firm.

To that end, Source Global Research is completely independent of any professional services firm we work with or comment on. Moreover, the quantitative data and rankings shown in this report are based on the views of senior end users of professional services (your clients and prospects), not on our view. The analysis, on the other hand, is our own—as experts in interpreting client data, our aim is to help you make sense of it and bring the important messages to your attention.

It is not possible to influence our rankings either by subscribing to our research or by paying us money—it never has been and it never will be.

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EXECUTIVE SUMMARY

- Strategy firms McKinsey and The Boston Consulting Group tie as the firms that clients in Germany are most likely to tell us about. But, it's a close-run thing: Accenture, Roland Berger, and Bain are just a point or two behind.
- Overall, just 13 points separate the top-rated firm from the bottom-rated when it comes to the proportion of clients speaking positively about the quality of work delivered. The firms with the edge, however, are all of a technology heritage: Accenture, IBM Global Business Services, and Capgemini Consulting top the ranking.
- Oliver Wyman is the firm with the highest proportion of clients speaking positively about the value it adds in relation to the fees paid, followed by IBM and McKinsey. Overall, clients in Germany have become slightly more positive about the value delivered by consulting firms, with 46% of clients describing the value added as worth more than the fees charged this year, compared with 41% last year.
- Direct clients see a broad range in the quality of work delivered by consulting firms. In some services—like digital transformation, data & analytics, and operational improvement—direct clients describe a gap of 50 points or more between the top-rated and bottom-rated firms. The broadest range of opinions tend to be in services relating to emerging technologies.
- There's a relationship between clients that think highly of a firm's approach to stakeholder management and clients that speak positively about the value added. Despite not being one of the attributes clients think of as being immediately important about working with a firm, stakeholder management clearly does have a positive impact in building a value-adding relationship with clients.
- In some services, clients are much more likely to describe the quality of a firm's work positively if they're using multiple services. The strongest relationship is with business strategy, which perhaps speaks to clients' desire to see tangible results and changes.
- When we contrast the attributes that clients say consulting firms as a whole are good at with the ones they say are most important, we see that firms in Germany are perhaps over-delivering on things like global reach, but under-delivering when it comes to account management and innovative approaches.

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CONTENTS

Our values and integrity
Executive Summary
Contents
How to use this Client Perception Study
Methodology
  Discover more online
Overall perceptions of consulting in Germany
  Mindshare: Who are clients in Germany talking about?
  Top rated firms for overall quality of work in Germany
  Top rated firms for overall value in the Germany
What our data tells us about clients' perceptions in Germany
  Resisting the magnetic middle—for now
  Attributes that have an impact
  2 + 2 can sometimes equal 5
  Where are firms over- and under-delivering?
Detailed rankings
  Quality rankings by service
  Quality and value rankings by industry
  Quality and value rankings by function
Firm-by-firm analysis
  How to use this section
  Accenture
  A.T. Kearney
  Bain & Company
  BearingPoint
  The Boston Consulting Group
  Capgemini Consulting
  Deloitte
  EY
  IBM Global Business Services
  KPMG
  McKinsey
  Oliver Wyman
  PwC
  Roland Berger
  Strategy&
Methodology in full
  Who did we talk to?
  What did we ask them?
  Which firms are included in this report?
  How do we rank firms in this report?
Definitions of industries
  Industries
About the author
  Alison Huntington
Our custom research services
Source report programmes

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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, offer in depth analysis 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' 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 our view, nor is it a comment on market share or a recommendation to clients about which firms to buy from. The audience for these reports is the firms featured in them, and those interested in the strength of the competition in any given market

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METHODOLOGY

Who did we talk to?

We have 1,533 responses from our survey of executives, directors, and senior managers in Germany in November and December 2017, 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 2017 and 2018 with senior buyers of consulting in Germany to bring aspects of our findings to life.

For more information about the people we surveyed, please see the **extended methodology section** towards the end of this report.

The two types of client in this report: direct clients and prospects

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

Direct clients are clients who have bought services from a firm on a reasonably regular basis. They're current clients, or ones with an ongoing relationship with a firm.

Prospects (and what we have sometimes referred to as "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 this research, we segment this group into those that are simply aware of a firm, and those that have shortlisted firms but decided not to proceed with that firm.

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

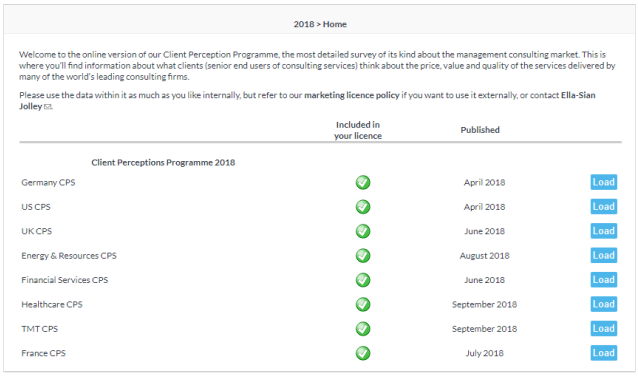
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Discover more online

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.

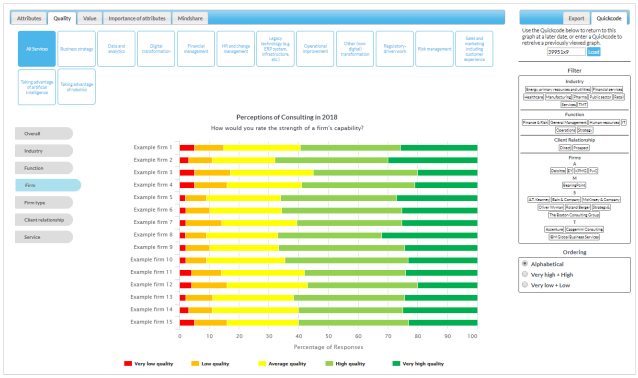
How to access the data

To access the data, you can either 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.



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 important attributes.



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METHODOLOGY IN FULL

Who did we talk to?

Figure 1

Respondents' level of responsibility

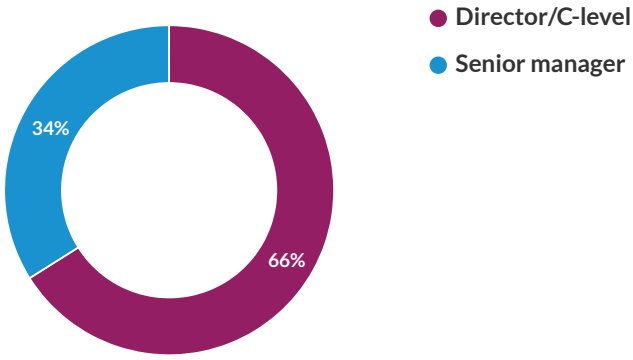
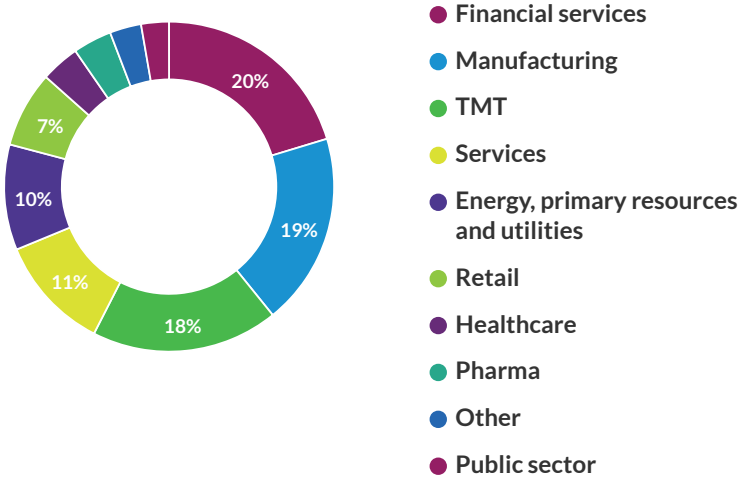


Figure 2

Respondents by industry



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Figure 3

Respondents by function

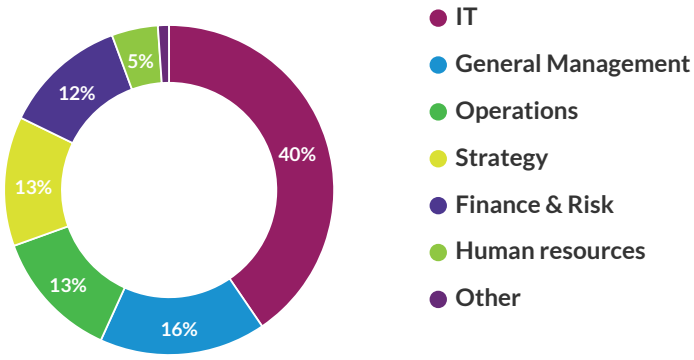
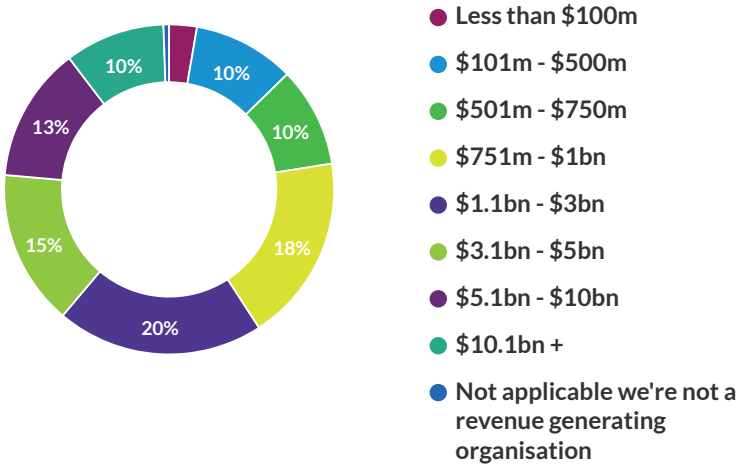


Figure 4

Respondents by organisation's revenue



What did we ask them?

Each respondent was asked to tell us about three consulting firms and was presented with a list of 15 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 its services
- 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.

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Which firms are included in this report?

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

How do 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 clients in the HR function, nor for clients working in retail, pharma, healthcare, public sector, or other. If you have questions about the industries we've omitted from this report, try visiting our **online portal**, 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: To give each firm a mindshare score, we've looked at how quickly respondents selected any particular firm. The firm that reached 100 responses fastest gains the top score (which is 100). All other firms are scored in comparison to the time it takes to fill that quota. Think of it as firms racing each other to a finish line.

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.

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DEFINITIONS OF INDUSTRIES

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.

Defence

Includes national security and consulting around defence issues.

Not for profit

Includes non-commercial research organisations, religious, political and professional membership organisations, trusts, labour unions, and business associations.

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 publishing of newspapers, periodicals, and books.

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ABOUT THE AUTHOR

Alison Huntington

Alison is the Head of Client & Brand Insights at Source. She is responsible for all the reports we write on this subject, and leads many of the bespoke projects we deliver in this area. She's an experienced writer, analyst, and interviewer, and has worked on bespoke projects around brand benchmarking, helping consulting firms to understand how they are perceived in the market, and what they can do to improve perceptions. Alison earned her stripes as a consultant at Deloitte, working on a wide range of projects across many industries.



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OUR CUSTOM RESEARCH SERVICES

Over the course of the last ten years we've worked with leaders in many of the world's biggest professional services firms, to help them find solutions to some of their most important challenges. Here are some typical examples of the kind of work we do.

You need to know how big your market is

We have a global data model of the professional services industry that is the biggest and most sophisticated of its kind ever created. It provides data on market size, growth rates, and forecasts across 29 industrial sectors, 10 service lines, and 84 countries. It also breaks down the market by different types of firm.

We can provide you with a version of the model that's customised to fit your needs, giving you data on all the countries, sectors, and service lines that matter to you, and none that don't. But we won't stop there, unless you want us to: Our analysts will work alongside you to make the model yours, mapping our definitions to yours, so you can look at the market on your terms rather than ours.

You need to understand what the numbers mean for you

For many of the firms we work with, pure data isn't enough, and nor are standard reports able to offer a view that's sufficiently tailored to their needs. In these situations, our analysts start with a blank sheet of paper, put your firm in the middle of it, and draw on all our data and knowledge—including about clients' perceptions—to build a picture of the world around you. You get a story that's laser-focused on your challenges and your opportunities, and that helps you to translate data an insight into action.

You're new in your role and need to understand the market for which you're now responsible

For people who have just moved into a new role, we can create packs of information specific to a particular geography, sector or service line. Our market sizing data can be used to quantify the market's potential, and our analysis of clients' perceptions and the competitive landscape will help you understand how best to seize the opportunities and respond to the threats.

You need to create clear propositions around your services

Our research tells us that having a big brand is no longer enough: Increasingly, clients expect professional firms to have a clearly articulated proposition for each service that differentiates them from their competitors. But the best propositions aren't built in a day: Our analysis, because it's based grounded in facts about clients' perceptions and behaviour, helps firms quickly cut through internal disagreement and build a clear sense of direction.

You need help with your inorganic growth plans

We also work with firms that are supplementing their organic growth with acquisitions, helping buyers find and qualify suitable targets for acquisitions. Leveraging our deep knowledge of the professional services sector, we can scan the market, profile companies, and even effect introductions. Firms use our services because we're well-connected in the industry, independent, and fast.

You need to understand how you measure up against your competitors in the minds of clients

Understanding what your clients think about your firm is critical in today's fastchanging and highly competitive market. New circumstances demand new, expert-led strategies to brand benchmarking, and that requires both independence—to get to the real story, not the one your clients think you want to hear—and deep knowledge and data about your market and your competitors.

We usually have a head-start here, because of the data we already have, but we've got all the expertise and experience that's needed to conduct new research among your clients and those of your competitors, in order to understand where your strengths and weaknesses lie, and what you need to do to stand out. The focus might be on your firm alone, but it might also be on how you can create competitive advantage over specific, named competitors.

You need to create better, more effective, thought leadership

Thought leadership has come to dominate the marketing activities of professional service firms, and with good cause: Our research with clients finds consistent evidence that good thought leadership matters to them, too. It helps them to do their job, to identify where world-class capability exists in these firms, and even to shortlist firms for projects.

How well does your thought leadership measure up? We can conduct in-depth reviews to assess quality in a sample of material that's either random or defined by you, from single pieces to entire bodies of work, on an ad-hoc or routine basis. We can also help you shape your approach to topics and understand what your competitors are doing, and can provide guidance about how to approach a specific piece of high-profile thought leadership.

We also recognise that good thought leadership doesn't happen by accident, but because you've put in place the right processes and engaged the interests and enthusiasm of your key subject matter experts. We help professional services firms create the foundations, organisational structure and processes for high-quality content. We can also run workshops that inspire your people and help make them more effective at creating thought leadership.

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SOURCE REPORT PROGRAMMES

MARKET TRENDS 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 global 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.

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

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

Would you like more information on any of the above? A more detailed view? Or to adjust any of it to suit your requirements? The adjacent page offers more insights into how we can help you.

2018	MARKET TRENDS PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME	WHITE SPACE
JANUARY				Hot topics in thought leadership
FEBRUARY	Forecasts for 2018 UK		Germany GCC	Quality ratings of thought leadership for the second half of 2017
MARCH	GCC DACH Benelux	Mega trend #1: Data & analytics	US	
APRIL	Spain France Nordics		UK Energy & Resources	Analysis of recent thought leadership
MAY	Eastern Europe US Russia	Mega trend #2: Discover	Nordics Financial Services	Analysis of recent thought leadership
JUNE	Italy Canada	Mega trend #3: Strategy		
JULY	LATAM Australia	Mega trend #4: Run		Analysis of recent thought leadership
AUGUST	Africa		Healthcare TMT	
SEPTEMBER	Planning for growth in 2019 India Energy & Resources		France	Quality ratings of thought leadership for the first half of 2018
OCTOBER	South East Asia Financial Services China			
NOVEMBER	TMT Healthcare	Mega trend #5: Robotics		
DECEMBER		Mega trend #6: Digital transformation		

About Source

Source Global Research is a leading provider of information about the market for professional services. Set up in 2007, Source serves the professional services industry 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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