

INTELLIGENT ANALYTICS

Threats and opportunities in the global analytics market



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Introduction:

THE EVOLUTION OF “INTELLIGENT ANALYTICS”

For the purposes of this report, we’ve tried to focus on what we’ve termed “intelligent analytics”, by which we mean the sophisticated analysis of data—often very large datasets—aimed both at developing deeper insights than have traditionally been generated, and at helping to predict the future rather than simply explaining the past.

However, “intelligent analytics” is only the latest manifestation of the broader data and analytics consulting industry, and it’s often hard to distinguish between where analytics start and data stops. The relationship between the two has also changed over time; indeed, one of the central arguments of this report is that it will change again in the future, as the schematic on the following page seeks to illustrate. Today’s organisations have moved a long way from the small, standalone datasets of the 1980s, largely due to the advent of ERP systems, which integrated data from multiple functions. Although organisations vary tremendously in their level of maturity when it comes to both data and analytics, the focus for the more sophisticated adopters at the moment is around amassing very large-scale data “lakes” and in developing better tools for analysing the information they contain. Most such lakes, though, are fed only by internal sources: Going forwards the opportunity—and challenge—will be to integrate new external sources of information and to develop the next generation of analytical tools, driven by artificial intelligence and other technologies.

The work done by consultants in this evolving market has traditionally been a combination of low-cost work (typically around data cleansing and assurance) and higher-value work (usually focused on business intelligence). The arrival of new, large datasets has created a surge of activity in the low-cost space, and some of that work continues today. But growth has come from high-value, analytics work—and it’s this part of the market we’ve tried to size here.

Going forwards, we see that re-balancing of consulting work continuing to tilt towards the high-value end, but also shifting to include more sophisticated analytics, a greater element of behavioural change, and the ability to identify and/or create new, external datasets.

Definitions: What do we mean by “intelligent analytics”?

	1980s	1990s-2000s	2010s	2020s
Data	Dispersed data sources of limited depth	Large datasets (e.g., from ERP systems), alongside multiple small-scale applications	Data lakes integrating different sources of internal data	Integration of external data sources into the data lake
Analytics	Business intelligence—creating dashboards to report data		Standard analysis is superseded by “intelligent analytics” (more sophisticated, predictive analysis)	“intelligent analytics” grows in sophistication, supported by AI, machine learning, etc.
Change	Analysis for senior executive only; limited change implications		Access to data lakes raises the profile of data and analytics throughout the organisation, but doesn’t drive behavioural change	As new and better analysis becomes widely available, the emphasis shifts to ensuring that results are translated into action and other behavioural change

● **Low-cost consulting**

- Data cleansing and assurance

● **High-value consulting**

- Analytics
- Behavioural change
- Identification and creation of new, external datasets

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Section 01:
**SHOULD CONSULTING FIRMS
(CONTINUE TO) INVEST IN ANALYTICS?**

01

Section 02:

WHAT MIGHT GIVE CONSULTING FIRMS A COMPETITIVE ADVANTAGE IN THE FUTURE?

Section 03:

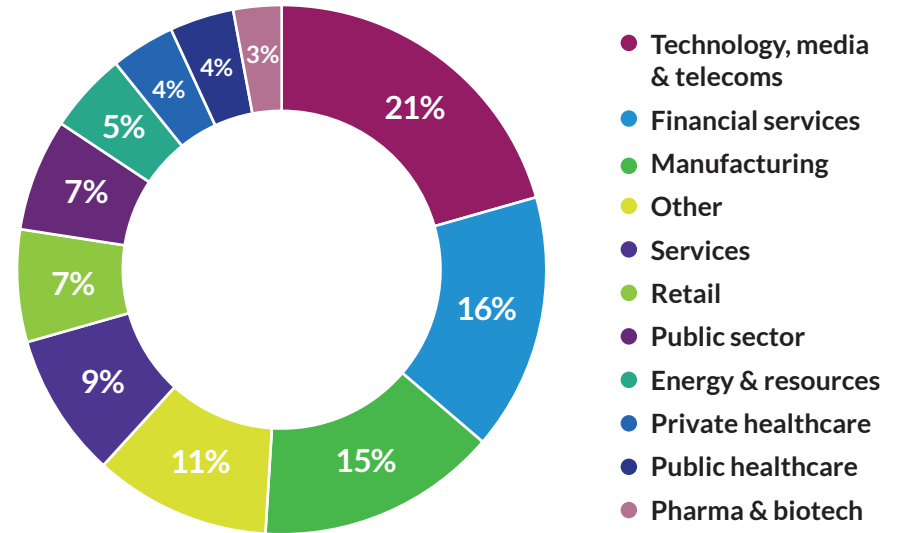
HOW CAN CONSULTING FIRMS CREATE A SUSTAINABLE COMPETITIVE ADVANTAGE?

About our research

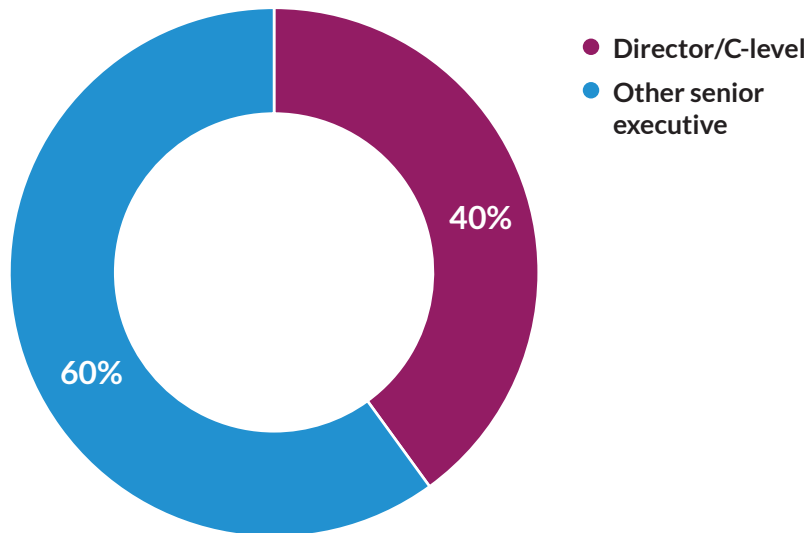
At the beginning of 2018 we surveyed 199 senior executives in American corporations in an attempt to measure both the extent to which they thought their consulting was about to change, and how it would do so. We also interviewed consulting leaders from consulting firms, many of whom are quoted in this report.

- Our report also draws on data from:
 - 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 almost 10m data points
 - Our annual global client perception survey, the latest version of which had 9,000 responses from a range of major consulting markets around the world.

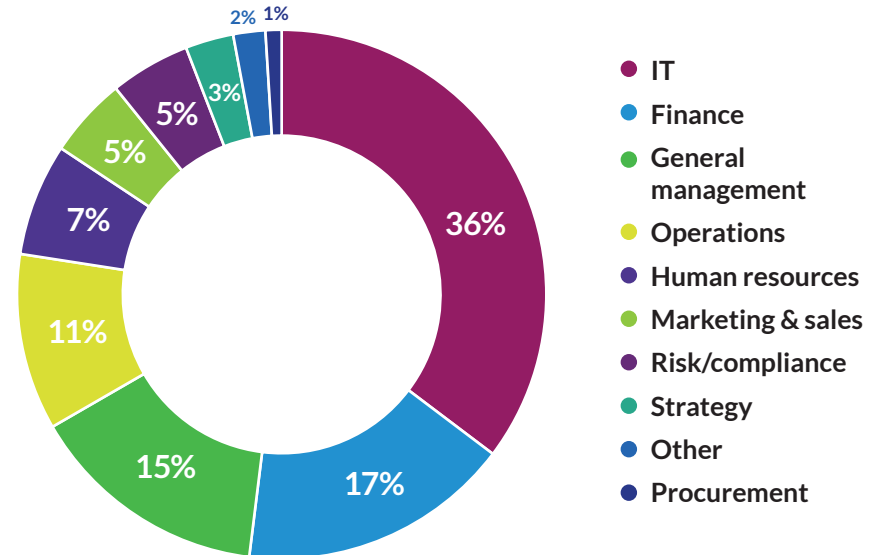
Breakdown by sector



Breakdown by seniority



Breakdown by function



CONTRIBUTORS

We're immensely grateful to the following, all of whom contributed their time to our research. These details are correct as of the time of interview in 2017.

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A Co-Founder and Director of Source, Fiona is one of the world's leading commentators on the management consulting industry. Since founding Source in 2007, she has been bringing this expertise to bear on our clients' most pressing strategic projects and business issues.

Fiona has published a dozen books on consulting topics, including two for *The Economist*: [Business Consulting: A Guide to How it Works and How to Make it Work](#) and [Buying Professional Services](#). She has more than 20 years' experience as a management consultant, working primarily in the areas of marketing and strategy. She was previously in charge of strategic planning for EY in the UK and has worked in the consulting practice of PwC. Fiona also has a PhD in seventeenth-century French art and lives in hope that it will be of practical use in business someday.



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Clarrie is a Senior Analyst at Source and has extensive experience writing, interviewing, and in data analysis. She works on Source's core consulting reports, and also on bespoke projects for clients around market sizing and growth opportunities. She has also worked on key trend reports, and white papers on hot topics in the consulting industry. Clarrie worked as a consultant at Accenture, as well as at a couple of boutique firms before joining Source.



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Ed is a Director of Source, and he is particularly focused on HR, strategic marketing, and new product development. He is a key member of the Source research team and spends much of his time interviewing consultants and their clients around the world in order to identify and explore major market trends.

Ed regularly speaks about the consulting market to leadership teams around the world, has lectured at Columbia University, Imperial College, and Vrije Universiteit, and he is regularly quoted by media including the *Wall Street Journal*, the *Washington Post*, the *Financial Times*, *Bloomberg*, and the trade press. Prior to joining Source in 2008, Ed spent seven years in various marketing roles for Sony Europe.



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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 sectors. These reports contain sector analysis, market sizing data, and growth forecasts at a global level, as well as breakdowns by sub-sector, service, and geography. Snapshots of content from these reports will be published earlier in the year and made available to subscribers, as tranches become available.

● 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 sectors. We rank the leading consulting firms in terms of clients' perceptions of things like quality and value. Data and analysis for these reports are made available to subscribers throughout the year.

As part of this programme we also publish global brand perceptions. Leveraging all the data we have about each of the world's leading consulting firms, we're able to offer insights that go far beyond traditional brand impact surveys. Choose the firms you want to benchmark yourself against, and we'll analyse how clients see your firm relative to your competitors, writing a custom report that puts you at the heart of it. Available on request.

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2018	MARKET TRENDS PROGRAMME	STRATEGIC PLANNING PROGRAMME	CLIENT PERCEPTION PROGRAMME**	WHITE SPACE
JANUARY				Hot topics in thought leadership
FEBRUARY	Forecasts for 2018 UK		In each report, we will publish the top ranked firms for: Mindshare Quality of work Value added Quality of work by different consulting services	Quality ratings of thought leadership for the second half of 2017
MARCH	GCC DACH Benelux	Mega trend #1: Intelligent analytics	Germany part 1 US part 1 GCC part 1	
APRIL	Spain France Nordics		Germany part 2 UK part 1 US part 2	Analysis of recent thought leadership
MAY	Eastern Europe US Russia	Mega trend #2: Discover	Financial services part 1 Nordics part 1 Energy & resources part 1	Analysis of recent thought leadership
JUNE	Italy Canada	Mega trend #3: Strategy	France part 1 UK part 2 Financial services part 2	
JULY	South America Australia	Mega trend #4: Run	Healthcare part 1 France part 2	Analysis of recent thought leadership
AUGUST	Africa		Nordics part 2 TMT part 1 Energy & resources part 2	
SEPTEMBER	Planning for growth in 2019 India Energy & Resources*		Healthcare part 2 TMT part 2 GCC part 2	Quality ratings of thought leadership for the first half of 2018
OCTOBER	South East Asia Financial Services* China			
NOVEMBER	TMT* Healthcare*	Mega trend #5: How technology will shape the consulting business model of the future		
DECEMBER	*Snapshots of content from these reports will be published earlier in the year and made available to subscribers, as tranches become available.	Mega trend #6: Digital transformation	**Part 1: What our data tells us about the market. Part 2: Firm-by-firm analysis	

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.

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 and 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 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 fast-changing 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.

About Source

Source Global Research is a leading provider of information about the market for management consulting. Set up in 2007 with a London office, 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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