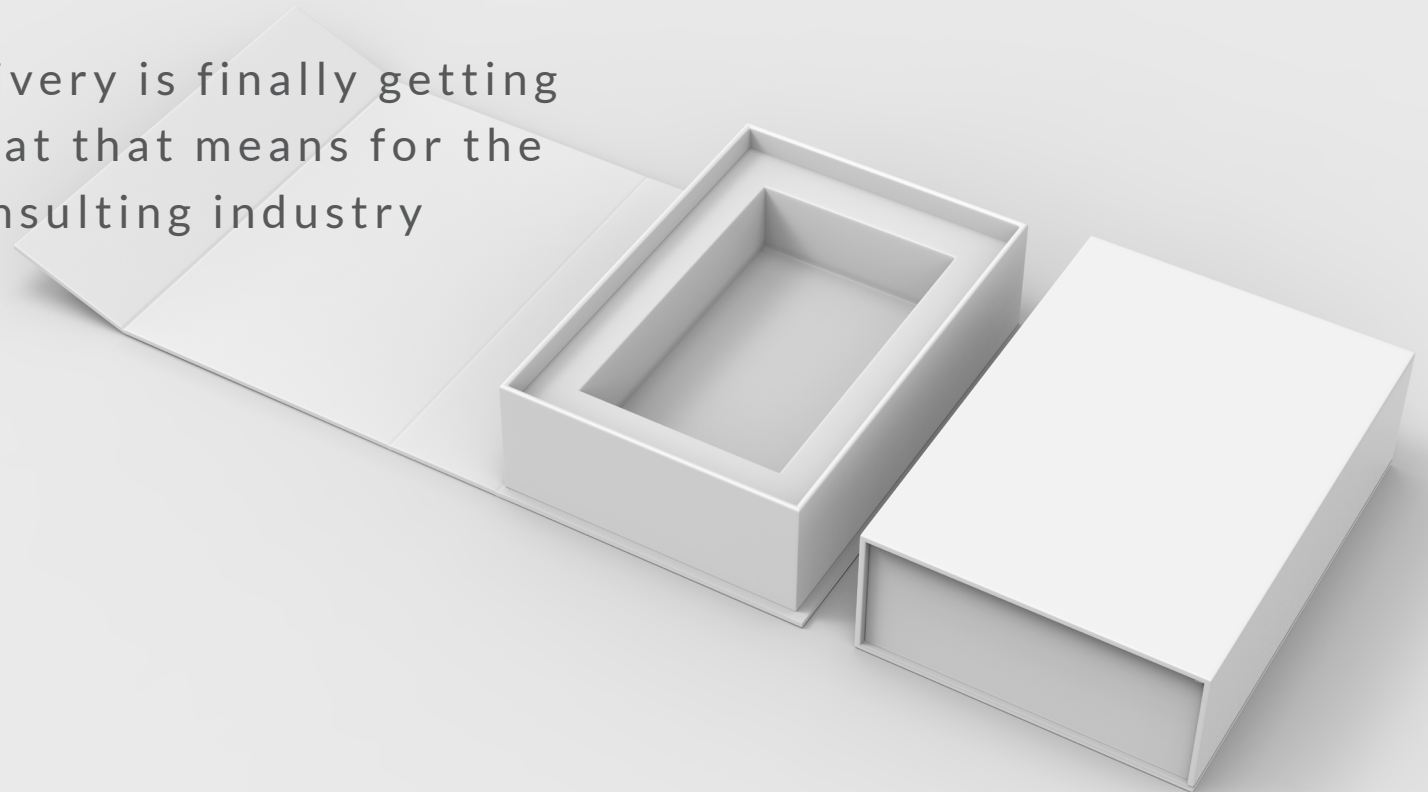


July 2020

Time to get serious about “Project Tech”

Why project delivery is finally getting digitised and what that means for the future of the consulting industry





Introduction

You've heard of Legal Tech. You've heard of FinTech. Now, after several false starts, we believe it is finally time to start talking about "Project Tech".

Consulting firms have historically been slow to embrace new technology and incorporate it into their ways of working. If you went back in time to the early 90s, found a senior partner at one of the big strategy houses, and asked them to lead a modern day client engagement, you'd probably find that they could get by without too many major issues.

However, that may be about to change. There is now a thriving market for solutions designed specifically to support the delivery of projects—and firms are, slowly but surely, starting to think about how these solutions might impact the way that they work.

The primary effect of this technology, so far, has been to boost the efficiency of consulting work and enable firms to make better use of their resources. But in the long-run, it may lead to a much more drastic reshaping of the industry, perhaps even ushering in a new era of standardisation and conformity in consulting work.

This report is divided into three sections:

- In **Part One** we make the case that it is time to start talking about Project Tech as a distinct product category. This section both provides a definition and scope of the term, and explores how firms are deploying Project Tech to reshape the way they deliver client engagements.
- **Part Two** illustrates the key themes of the preceding section through a pair of case studies, showing how two different mid-sized firms—Baringa Partners and The Chaucer Group—have embraced Project Tech in their day-to-day operations.
- Lastly, in **Part Three**, we look ahead to the future and ask whether the diversity of Project Tech suppliers that exists today will continue into the future, or whether anyone will ever successfully monopolise this space. In other words, we explore the question of whether the emergence of Project Tech has opened the door to the "Amazonification" of the consulting industry.

The data featured in this report comes from a study conducted in May 2020 of 21 mid-sized consulting firms. All firms in this study had a total workforce of between 25 and 1,000 people



Part one:

The dawn of a new product category





Project Tech: What's in a name?

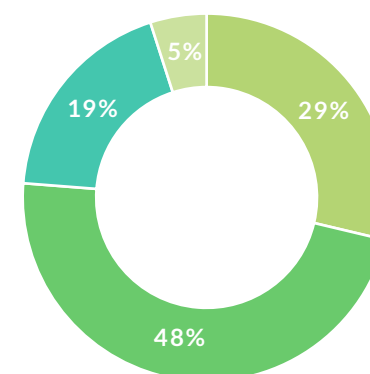
Often, the very act of putting a label on a trend can have the effect of galvanising attention around it. Look at digital transformation, for example. Many of the component services that transformation was comprised of existed independently long before anyone started bundling them together with that name. But as soon as the nomenclature took hold, firms started aggressively competing with each other for positions as digital leaders.

That's why we believe that it's high time for firms to start talking about Project Tech as a distinct technology category. Most consultants are likely already familiar with many of the specific products that could fall under this definition. But it is our contention that as soon as you start grouping those products together under one label, you put yourself in a position to see the contours of the modern consulting industry—and its potential future—much clearer than you would otherwise be able to.

We should, however, be clear about exactly what we mean by Project Tech. The term doesn't just mean "any piece of technology used on a consulting project"—no more than Legal Tech encompasses every software product that's ever been used by a lawyer.

No, what we have in mind when we talk about Project Tech is the evolving ecosystem of products that are right now, in various ways, transforming how consultants work. Many of these products may have other use cases as well, but all of them are united by the potential they hold to reshape the ways in which professional services firms deliver client engagements.

For how many of your firm's projects does Project Tech play a critical role in the delivery process?



- All of our projects
- Most of our projects
- About half of our projects
- Less than half or none of our projects



Finally here, after all these years

It's now been almost seven years since Clayton Christensen, Dina Wang, and Derek van Bever published their landmark article, "[Consulting on the Cusp of Disruption](#)", in the pages of *Harvard Business Review*. And while many of their predictions have indeed come to pass, there is one notable exception: Consulting has proved to be an industry stubbornly immune to the pressures of digitisation. Even as they preached the gospel of transformation to their clients, firms themselves clung on to their largely analogue ways of working—preferring the comfort and familiarity of post-it notes and flip charts to the allure of new technology.

So why is it that things are only now starting to change? As we see it, there are three primary factors that have driven firms to reopen this particular question of delivery digitisation:



Pressure to do more with less

Today's clients are more value-conscious than ever—even more so now that COVID-19 has cut into their budgets and forced them to examine every piece of discretionary spend with a fine-tooth comb. They have high expectations for the firms that they work with, and they're willing to push back on what they see as project bloat. It's difficult these days to justify deploying armies of inexperienced junior consultants to tackle your client's problems.

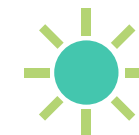
And that means that firms have had to look to technology to pick up the slack, using it as a way to strip out the administrative overheads of projects and therefore free up the time of individual consultants to spend more time on value-adding activities.



The need to differentiate

Clients these days can afford to be picky. The consulting landscape has become increasingly crowded as technology firms, marketing agencies, and BPO providers have all reinvented themselves to look more like consultancies. At the same time, the market for freelance consultants has boomed—and all sorts of tools exist to help clients tap into the freelance talent market.

As a result, firms have found that their traditional modus operandi of offering clients access to highly knowledgeable, talented people simply isn't enough anymore. Many have turned to proprietary data models and pieces of software in an attempt to stay one step ahead of the competition, and to allow them to offer their clients something they can't get elsewhere.



Responding to COVID-19

While conversations about Project Tech were already underway among the upper echelons of many firms before the pandemic, COVID-19 has forced their hands. Consultants have had to adapt extremely quickly to a world in which the vast majority of project work has to be done remotely.

The traditional consulting toolkit simply wasn't equipped to handle that challenge. And so firms have been forced, out of sheer necessity, to turn to technology for answers.

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