

Market Insights

For investors and
professional services
professionals

Contents

Specialisation: The heart of differentiation	1
About Alantra	4
About Source	4

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Specialisation: The heart of differentiation

As US entrepreneur Jim Keenan said,

**“Without differentiation, you
have nothing. You’re average and
average ain’t gonna win the race.”**

This in a nutshell is the self-evident but enduring challenge for all businesses: how to develop something different about a business that will resonate with their customers and which will prompt them to buy and buy more. When Pfizer’s stock price rose by 8% in a single day on the back of its COVID-19 vaccine announcement, it demonstrated the massive upside of being (for that moment) the only game in town.

No consulting firm can claim that. Research we’ve carried out over the last five years shows that, even in a critical area such as the value that consulting firms deliver, the difference between the top and bottom-rated firms is just 11 percentage points and has, at least until this year, been narrowing. In addition, though perceptions of the value-add were improving, since 2017 even the top-rated firms appear to have hit a ceiling of about 45% client positivity (Figure 1). Best practice is becoming common practice, and, even for the best firms, fewer than half of their clients view them as adding more value than they charge in fees.

That doesn’t mean consulting firms can’t have their Pfizer moment—and the key is specialisation. For a consulting firm

ALANTRA

About Alantra

Alantra is a global alternative asset management, investment banking, and credit portfolio advisory firm focusing on providing high value-added services to companies, families, and investors operating in the mid-market segment. The Group has over 540 professionals across Europe, the US, Latin America, and Asia. Its Investment Banking division provides independent advice on M&A, debt advisory, financial restructuring and capital markets transactions, and has advised on over 300 deals for a total value of £33bn in the last two years.



About Source

We analyse the way in which economic, business, behavioural, and technology change drives how organisations use professional services, and the implications that has for professional services firms.

We've been analysing the consulting and wider professional services sector for more than a decade. We've invested in sophisticated, proprietary research techniques that give us unique insights on current and future trends. We carry out the largest, regular quantitative surveys of the professional services sector anywhere in the world, and are constantly talking to professional firms' clients in order to understand how changes in their behaviour will re-shape the industry in the future.

We're independent. Our analysis and recommendations are derived from our data and experience. Our information and insights have underpinned some of the most strategic investment decisions made by professional services firms. We don't recommend firms to clients, and we will never tell you what you want to hear just because you've paid us.

We have opinions: Our job isn't to give you reams of data to sift through, but to use that data to develop clear conclusions about what it means for you and your situation.

We're easy to work with, whether we're providing you with off-the-shelf data or custom research and consulting. We're generous with our time and don't have complicated licencing that limits who can read our material.

If you have questions about our research, or would like to know more, please get in touch

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