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EXTRACT

Buying and Selling

Emerging Trends Programme





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Executive summary



Inside every senior executive is a 19 year old walking along the beach, trying to figure out how the world works—because they think, ‘If I can just figure all of this out, then I know I’ll be able to make the right decisions.’ And when they buy consulting services, what they’re really looking for is someone to walk along that beach with them, and help them come to terms with the complexities of the world at large.

Art Kleiner, Wise Advocate Enterprises



For the most part, the skills required to be a successful salesperson haven’t changed as a result of the pandemic. It’s still about being a good listener, having a breadth of experience to draw on, and having the gravitas necessary to put ideas on the table in the right way. What has changed is how you get to that table in the first place. You don’t have access to the same sort of casual interactions and chance encounters with clients that you once did—and that means that you have to make a really solid first impression if you want to build a new client relationship. The aim for anyone selling consulting services should be to leave every client interaction having delivered value in some way. If you’ve got an hour with a potential new client on Zoom, you can’t afford to just sit there while they outline a problem statement and then go back to them later with a proposal; you have to use that time to raise questions they hadn’t thought of themselves, or help them see the problem in a new and interesting way.

Bob Pethick, PwC

Last year, we published a report on “[The Future of Account Management](#)”. The timing proved to be fortuitous; although we had been planning that report since late 2019, we ended up finishing the research right at the point where consulting firms were first starting to really understand the enormous impact that the pandemic was going to have on their ability to manage their client relationships. As a result, we were able to use that report to explore some of the worries firms had about the shift to a much more virtual model of relationship management, and the resultant changes they were planning to make to their account management processes and behaviours.

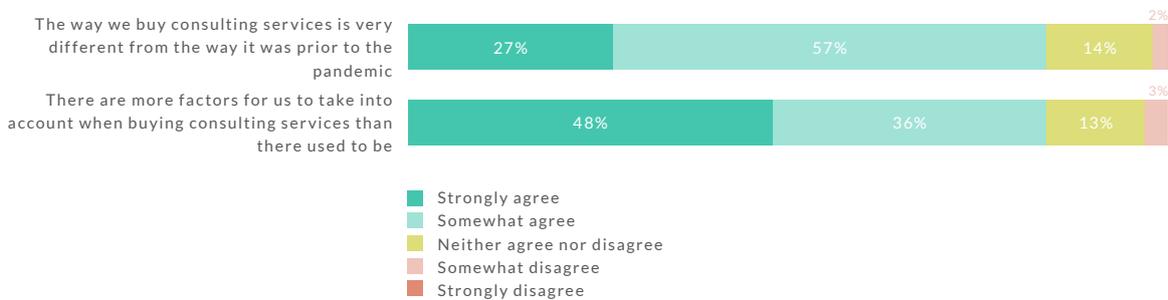
This report is, in many ways, a follow-up to that one. Now, a year into the pandemic, the way we all buy goods and services looks very different from how it did prior to 2020. That’s true regardless of whether we’re talking about groceries and clothing or audit and consulting. When it comes to making buying decisions, clients have a very different set of priorities than they used to—and that means that your firm needs a new approach to selling that recognises the realities of the new environment we find ourselves in.



The most obvious change has, of course, been the virtualisation of all buying activities. Historically, consulting is an industry where partners have always relied heavily on in-person interactions with clients through the sales process in order to build the kind of relationship necessary to get a deal over the line. Be it in the office, over dinner, at conferences, or on the golf course, facetime with clients was seen as a vital part of the sales jigsaw. But then, practically overnight, firms found it was either almost or entirely impossible to get access to. At the time of publication, in many of the largest consulting markets it remains infeasible to travel to clients and interact with them outside the confines of digital mediums.

Figure 0.1

Clients' views on the scale of the pandemic's impact on the purchasing of consulting services



This shift has had some serious effects on firms' ability to create and develop new client relationships. Without the ability to have chance encounters with potential clients in the corridors of their offices or in between events at conferences, getting a foot in the door has become much harder than it used to be. But, perhaps surprisingly, many firms have found that it has not had a comparable impact on the quality of their existing relationships. Many firms have even told us that, paradoxically, they feel closer to many of their clients than they were prior to the pandemic. COVID has blurred the lines between our personal and professional lives—and for consulting firms, that seems to have had the effect of injecting a new layer of familiarity into their relationships with clients.

While the transition to remote working has been the most obvious change that's taken place over the past year, it is far from the only way that clients have changed how they buy consulting services. Perhaps even more impactful has been the heightened degree of caution and risk aversion that has descended upon most organisations. Clients are taking every precaution to ensure that they get a return on investment on their consulting spend. In practice, that means that they're sticking with the suppliers they already know and trust. Incumbency advantage is more powerful than it's ever been in this industry, which has created a big problem for any firm looking to diversify its client portfolio or branch out into new services or industries.



In many ways, the changes that have taken place over the past year in terms of how professional services are bought and sold mirror the changes we've seen in many other sectors, like retail. When you go shopping during the pandemic, it's typically because you have a clear idea of what you need to buy and where you want to buy it from; there's much less impulse-buying or window-shopping taking place these days. Similarly, we're finding that many of our own buyers have been more direct and moved faster through the buying cycle. Sales cycles that might previously have been drawn out across several months are now being concluded in a matter of weeks or even days.

Simon Geale, Proxima



The Amazonification of the sales cycle in professional services has had a real impact on what it means to be a successful salesperson in today's industry. Selling professional services is, at the end of the day, about storytelling—and there's now a lot more data that you have to factor into the creation of those stories than there used to be.

Ismail Amla, Capita

In the first section of this report, we will examine in more detail all of the ways in which the buying process for consulting services has changed—covering both the physical and measurable changes to the process and less tangible changes, such as the new mindset that clients bring to the negotiating table. We will also cover the changes that have taken place in terms of the stakeholders that are involved in that process, and the role that different parts of the client organisation play in the buying of a typical consulting project.

Then, in section two, we will look at the impact that these changes have had to the work that clients end up buying and the deals they make with those providers: Who are clients buying from? How are they structuring their consulting engagements? And what are they willing to pay for those engagements?

Finally, in the third section of the report, we will answer the question of what, exactly, this all means for consulting firms. We will break down the challenges facing firms when it comes to creating new client relationships, developing those relationships, and finally converting them into sales. And we will look at the steps that firms have already taken—or could take in the near future—to respond to all of those challenges.

It would be dangerous to assume that we will not see yet more changes to the way that clients buy consulting services; there are still a great many unknown variables that could impact ways of working and client behaviours this year. But early indications are that 2021 will be a year of more gradual shifts, as we move into the recovery phase of the pandemic and adjust to a new set of personal and professional norms. This means that right now is an opportune moment for firms to look back at the changes of the past year, and examine their own sales behaviours through the lens of how well-suited they are to this new landscape. Our hope is that the data presented in this report will equip your firm with the tools necessary to do that, and will provide a starting point for you to think about how best to continue to evolve your approach to managing client relationships and winning bids.



The sales process for consulting services is one of those things where a lot's changed over the past year but, at the same time, nothing's changed. The underlying reasons that would lead a client to buy services from us are still the same. This is still an industry where relationships are absolutely critical. But now that we are operating in a much more virtual world, that's opened up new possibilities to put the very best of our firm in front of our customers wherever they are in the world. In the past, if we wanted to set up a meeting between a client in the UK and one of our banking payments experts in California, that could take weeks of planning and scheduling. But now, provided they're awake and have a WiFi connection, you can make that meeting happen in minutes. So, while the fundamentals of selling remain the same, the speed with which you can react to client demand has increased massively.

Gary Reader, KPMG



COVID has brought to the fore and accelerated the development of some of the themes that were already on clients' minds before 2020—themes like sustainable development, for example. It's also created new concerns for them to deal with. Even now, almost a year into the pandemic, the situation is still constantly throwing up new challenges; for example, clients are now having to worry about the impact of new mutated strains of the virus, and how to make their organisations resilient to them. It's vital, therefore, that consultants know how to move clients beyond the early exploratory phases of projects quickly, so that they have enough time to tackle these complex, multifaceted issues.

Carol Lemmens, Arup



The number of client-side stakeholders we have to engage with over the course of a sales cycle has increased dramatically over the last few years. In most cases, you have someone from the client organisation running the process, but then there's a whole group of people who have some kind of influence over the final purchasing decision. Increasingly, more and more of the procurement process takes place on digital platforms of one kind or another—and that's had a democratising effect on the flow of information. We have to keep in mind that when we submit information to a client as part of a tender process, that information can be searched for and viewed by a huge range of people across the organisation.

Ismail Amla, Capita



Methodology

Unless otherwise noted, the data in this report comes from two studies conducted in February 2021. The first consisted of a survey of 100 US-based senior executives, all of whom had personal experience buying consulting services within the last two years; 59% of them had worked with consultants in the last three months. All respondents in this study worked in organisations with 500 or more employees, and all currently occupied a Head of Department role or higher within their current organisations. Further details about their employers and their roles within their organisations are shown in Fig. 0.2, Fig. 0.3 and Fig. 0.4.

For the second study, we surveyed 52 procurement managers during the same time period. Similarly, all of these respondents worked for organisations with at least 500 employees, and all had personal experience of supporting the purchasing of consulting services. By speaking to procurement managers, we were able to develop a more granular understanding of changes to the buying process within client organisations—and we were able to benefit from their cross-functional perspective.

Where necessary, we have also drawn on data from our global data model, a bottom-up model of the professional services industry that we use to size the industry. This model covers over 80 countries, and includes detailed data on almost 1,600 firms, as well as higher-level estimates for a further 400,000. Additionally, we have at certain points calibrated data against our annual Client Perception Study, in which we ask thousands of clients around the world about their views on firms that they have worked with or have considered working with. Except where noted, the data that we have used in this report refers specifically to the US market.

To better understand the experiences of consulting firms over the past year, we conducted a series of interviews with leaders in the professional services industry. All of these individuals had substantial sales experience, and many of them held positions within their current firms in which they were tasked with overseeing sales and relationship management activities across multiple different accounts. A full list of contributors is available at the back of this report.

A selection of these conversations have been made available to subscribers of our Emerging Trends programme as an accompanying interview series. You can read transcripts of these interviews—and access interactive data visualisations and other additional pieces of content—by going to the [Emerging Trends platform](#) on the Source Global Research website. If you do not have access to this platform, please contact your account manager.



Figure 0.2

Respondents by sector



Figure 0.3

Size of clients' organisations in our sample by revenue

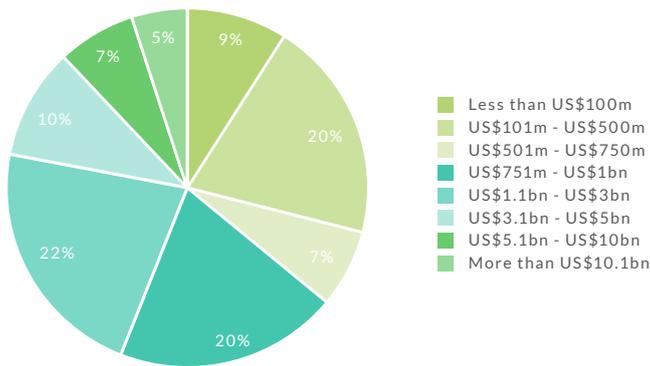
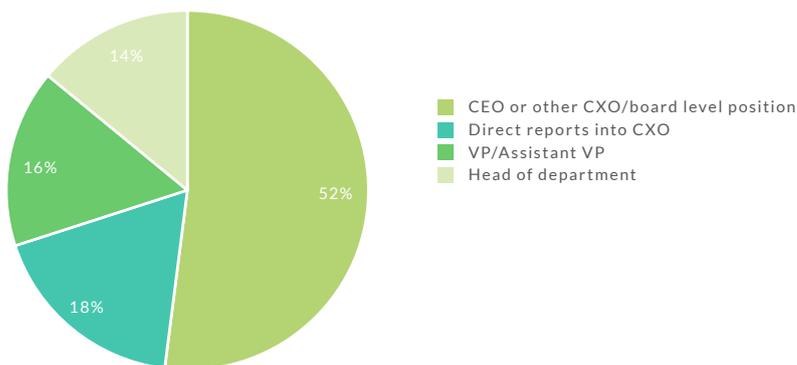


Figure 0.4

Sample distribution by job role





Contributors

We are extremely grateful to all the people we spoke to for making this report possible. Below is a list of the individuals who have contributed (excluding those who wished to remain anonymous).

Name	Job title	Organisation
Ismail Amla	Chief Growth Officer	Capita
Richard Caddick	Founding Partner and Strategic Consultant	cxpartners, a Sopra Steria company
Giles Colborne	Founding Partner and CEO	cxpartners, a Sopra Steria company
Murat Demiral	Managing Partner	Ipsos Strategy3
Simon Geale	SVP Client Solutions	Proxima
Craig Glindemann	Partner, Advisory Markets & BD Leader	EY
Stuart Hinkley	Executive Director and Head of UK Private Sector Consulting	Sopra Steria
Dave Kever	Principal	Crowe
Art Kleiner	Partner	Wise Advocate Enterprises
Carol Lemmens	Director, Global Advisory Services Leader	Arup
Chiaki Nishino	Executive Committee, North American Region & Global Women in Leadership	Prophet
Bob Pethick	Global Advisory Clients and Market Leader	PwC
Gary Reader	Global Head of Clients and Markets	KPMG



About the authors

Fiona Czerniawska

A co-Founder and Managing Director of Source, Fiona is one of the world's leading commentators on the management consulting industry. Since founding Source in 2008, 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 17th century French art and lives in hope that it will be of practical use in business someday.

Fiona Czerniawska

✉ fionacz@sourceglobalresearch.com

Fergus Blair

Fergus is the Producer of our thought leadership at Source. In this capacity, he oversees our Emerging Trends research programme, hosts our fortnightly podcast, and creates content for our blog and social channels. He has contributed to a number of leading management and professional services publications, and regularly speaks at our own events and those of our clients.

Prior to joining Source, Fergus was a management consultant at Capgemini Invent, where he helped develop customer loyalty strategies for leading retailers and consumer products companies. He holds a degree in philosophy from Gonville & Caius College, Cambridge.

Fergus Blair

✉ fergus.blair@sourceglobalresearch.com

Edward Haigh

Ed is a Managing 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 (New York), Imperial College (London), and Vrije Universiteit (Amsterdam), 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.

Edward Haigh

✉ edward.haigh@sourceglobalresearch.com





Programme schedule for 2021

Reports 2021		Market Trends Programme	Client Perception Studies	Emerging Trends Programme
Q1	January	Forecasts for 2021 US GCC	UK US	
	February	UK Nordics DACH	Germany Financial Services	
	March	Canada France	Healthcare & Pharma GCC France	Buying and Selling
Q2	April	South America Australia China Japan	Nordics Energy & Resources Technology, Media & Telecoms	
	May	South East Asia Benelux India	China Japan	Beyond Digital
	June	Southern Europe Eastern Europe & Russia		
Q3	July			
	August	Africa Energy & Resources Financial Services	Perceptions of Risk Firms Perceptions of Tax Firms	Investing for Growth
	September		Perceptions of Audit Firms	
Q4	October	The Global Tax Advisory Market The Global Risk & Cybersecurity Services Market		Building a Trusted Brand
	November	Healthcare & Pharma Technology, Media & Telecoms Consumer Products & Retail		
	December	Planning for Growth in 2022		

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- Brand and client sentiment analysis
- Thought leadership and content strategy, development, and review

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Source Information Services Ltd
20 Little Britain | London | EC1A 7DH
UK +44 (0)20 3478 1207
US +1 800 767 8058
info@sourceglobalresearch.com
www.sourceglobalresearch.com