

November 2021

EXTRACT

Building a Trusted Brand

Emerging Trends Programme





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Executive summary



Trust, in the digital world, is very different from trust in the physical world. Information now moves faster than ever. And while that means that trust can be lost extremely fast, it also means that it's possible to build trust faster than it used to be.

Mohamed Kande, PwC



Building trust with a client has a long-term value that goes beyond the confines of the individual engagement. That's true for us as a firm, because it helps us generate more work down the line. But it's also true for our clients, because it makes their purchasing decisions that much easier and takes away some of the uncertainty they'd otherwise have to deal with.

Julian Wakeham, PwC



In consulting, as in the rest of our lives, the importance of trust scales in proportion to the risks and rewards involved. When you send your child to pre-school, for example, you're trusting someone to take care of the most important thing in your life—that's very different from the kind of trust involved when you go to get a haircut. Similarly, the degree of trust required between a client and their consultants depends on how important the project is to their business. Right now, given how central accelerated transformation is to clients' ambitions, trust has become an incredibly important concept in this industry. It's therefore vital that firms invest time and energy into understanding how to build and maintain it.

Jill Kramer, Accenture

The question of who and what we're willing to place our trust in has become a vitally important one over the past few years. One could argue that it's the central paradox of the digital age: Information is more accessible than it's ever been, but many of us struggle to find trusted advisors and authorities to help us navigate and make sense of it. In addition, anxieties about the rise of fake news and the collapse of trust in public institutions loom large in the headlines. Earlier this year, a UN study¹ suggested that—in the developed world at least—public trust in the media, the scientific establishment, and in governments is lower than it's ever been.

Within the consulting sector specifically, trust has always played a role in driving the purchasing decisions of clients: Consultants, after all, are often tasked with solving their clients' thorniest challenges and delivering business-critical initiatives. A high degree of trust between vendor and buyer is always going to be a critical success factor in that kind of environment.

Since the onset of the pandemic, however, the concept of trust has ascended to an even greater level of significance within consulting. Clients in many industries have had to rely on the support of consulting firms to ensure not only the survival of their organisations, but also to protect the health and wellbeing of their employees. The stakes have never been

¹ *Trust in public institutions: Trends and implications for economic security*, United Nations, Jul. 20, 2021 (Accessed Oct. 28, 2021). Available at: <https://www.un.org/development/desa/dspd/2021/07/trust-public-institutions/>.



higher: It's only natural, therefore, that clients would want to redirect their consulting spend towards the brands and the individual consultants they have the most trust in.

Moreover, the pandemic has fundamentally changed the nature of the client-consultant relationship—changes which have brought with them both challenges and opportunities when it comes to the creation and the maintenance of trust. There is broad agreement among consultants that the rise of remote working has made it more difficult to build trusted relationships with new clients, but also that it has allowed them to deepen the level of trust within their pre-existing ones. Many consulting firms are coming out of this crisis with a new-found level of brand equity and trust among their most important customers, and they're now asking themselves what they can do to most effectively capitalise on the situation.



The pandemic has led to a number of changes in the way clients use consulting services—although in many cases it represents more of an acceleration of pre-existing trends than a whole new direction for the industry. One of the most significant impacts of COVID has been the way it's increased the importance of trust. We know from our research that trust in institutions, globally, is at an all-time low. And that means that building trust—whether we're talking about trust between us and our clients or trust between them and their customers—is absolutely critical.

Julian Wakeham, PwC



When you look at it under a cold, hard lens, consulting—like most industries on the planet—is ultimately a commodity marketplace. And, arguably, it's becoming even more of one over time. Between 20% and 25% of consulting services are sunset every year. Consulting firms are in a constant battle to give their clients access to the right types of experts at the right time. However, even in a highly commoditised market, it's still possible to create a differentiated brand and a differentiated client experience. Even though a lot of firms are saying similar things and offering a similar range of services, you can differentiate those services by the way you wrap them in your values, your culture, and your sense of purpose. It's the bringing together of all of those components that allows you to create trust—the true X factor that will keep your clients coming back to you.

Chris Goodman, Crowe



Your brand, as a consulting firm, is the product of dozens and dozens of individual touchpoints with your clients. And the way that you build trust in your brand is by ensuring absolute consistency across all of those various touchpoints. Your clients need to see that you are what you say you are. It's particularly important to get the first and last touchpoints right. We all have a tendency, after all, to remember the beginnings and endings of things more than the middle parts.

Eric Fulwiler, Rival



The [first section of this report](#) focuses on conceptual questions of what, exactly, trust means to buyers and prospective buyers in today's consulting market. It examines the features that clients believe make for a trustworthy consulting brand, the role that trust plays in clients' purchasing decisions, and the way in which that trust has been impacted by the COVID-19 pandemic.

In the [second section of this report](#), we move from the conceptual to the practical and examine the specific actions consultants can take at different stages within the life cycle of the client-consultant relationship in order to build and maintain stakeholder trust. This section also looks at how trust can be damaged—either through mistakes made by individual consultants or through firm-wide scandals and PR crises—and how firms can rebuild trust after those incidents.

In the [third and final section](#), we offer a forward-looking analysis of the structural and cultural changes firms can make in order to maximise the level of trust between themselves and their clients. In particular, this section looks at the way in which consulting firms are currently attempting to position themselves as more purpose-driven service providers, and the impact that this may have over the coming years on client trust in the consulting sector.

Our intention with this report is to provide readers with a comprehensive understanding of the role that trust—at both the personal and the brand level—plays in today's consulting market, along with practical recommendations to enable consulting firms to more effectively build, maintain, and extend the trust that their clients have in them. Whatever the future may hold, it's clear that we have entered an era in which trust has become the new currency for the global economy; and an understanding of that currency will be critical for any consulting firm looking to build a competitive advantage for themselves.



Section 1: What does “trust” mean in the context of today’s consulting industry?

In this section...

- Since the onset of the pandemic, trust has come to play an increasingly important role in clients’ purchasing decisions. The stakes of consulting engagements are higher than they’ve ever been. Consequently, clients only feel comfortable buying from firms that have earned a high degree of stakeholder trust.
- At its core, trust continues to be rooted in the ability of a firm to act with honesty and integrity and to meet the expectations it sets for itself. Increasingly, however, the strength of a firm’s asset-base has a key role to play in the creation of trust as well.
- The shift to remote working has made it harder for consultants to build personal relationships with clients during the bid process. Because of this, brand equity has come to play a larger role in the creation of trust.
- At the same time, the pandemic has, in many cases, deepened the level of trust within existing client-consultant relationships. This has created new opportunities for cross-selling that didn’t exist prior to 2020.
- Signs are emerging of a “squeezed middle” within the industry. Clients have a lot of trust in the top-tier, global consulting firms and in individual freelance consultants, but comparatively less trust in smaller or more specialised service providers.



There's multiple layers of trust in our profession. The client has to have trust in the person who's delivering the work for them, but they also need to have trust in the brand of the firm behind that person. Both of those elements need to be in place for any consulting relationship to be a successful one.

Mohamed Kande, PwC



Trust, in the context of consulting, is about the client putting their faith in the consultant and allowing them to lead on the big challenges their organisation is facing. Consulting, ultimately, is about helping clients to navigate through uncertainty. In order to do that, there has to be a certain level of respect in the relationship—respect that is earned by the consultant consistently bringing their firm's best resources and best thinking to the engagement.

Nancy Leibig, Crowe



We've spent a lot of time at PwC thinking about what makes for an effective consulting partner. In our view, it comes down to two things: the development of trust and the delivery of sustained outcomes. Those two factors matter every bit as much to us as they do to our clients and their customers. And it's the balance of the two that represents the core of the value equation.

Julian Wakeham, PwC



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Section 2: How is trust earned and lost in this industry?

In this section...

- As clients have become more discerning buyers of consulting services—and more likely to buy services to address capability gaps rather than capacity shortfalls—it's become increasingly important for firms to have deep subject matter expertise in order to build trust with organisations that haven't previously bought services from them.
- The most effective way to build trust on a personal level with client-side stakeholders is to demonstrate a commitment to being an honest, transparent, and highly responsive partner. Clients want to work with consultants who are going to help them navigate the capabilities and the expertise that exists within their firms.
- The most common issue that causes clients to lose trust in their consulting partners is when firms staff projects with under-qualified resources. This has always been a problem within the industry, but has been exacerbated by the current talent shortages that many firms are struggling with.
- Over the next few years, consulting firms are likely to face increased scrutiny from the public and the media, particularly around their ESG credentials. Fortunately, even relatively high-profile scandals do not have to cause permanent damage to client trust—provided that the firms involved are willing to take the proper reparative actions.

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When a client comes to you and says, 'Hey, can you make sure that this particular person is working on our engagement for us?', that's when you know that you've successfully built trust with them. Because, when they ask you that question, what they're saying is that they have confidence in that person to deliver against the promises you've made to them.

Mohamed Kande, PwC

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As you expand your footprint within an account, you create a kind of virtuous cycle. With every incremental service that you sell, client satisfaction goes up, retention goes up, and profitability goes up—provided that you're able to deliver those services to a high standard. With every new service you sell, you create additional moments of truth; additional opportunities to build trust and cement your firm's position as a trusted advisor.

Chris Goodman, Crowe

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The market for consulting is so crowded these days. As a result, any time I come across a firm I haven't worked with before, the first thing I ask them is how their approach differs from that of all the other firms that are out there; what are the unique skills, methodologies, or pieces of intellectual property that you're going to bring to the table that I couldn't get anywhere else? If a firm has a strong answer to those questions, that's a good first step on the road to building trust.

HR director, industrial manufacturing company



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Section 3: What steps can firms take to more effectively build trust with clients over the coming years?

In this section...

- Many clients have the perception that the interests of consulting firms do not often align well with their own interests. This is one of the primary challenges standing in the way of firms building a deeper level of trust with clients and prospective clients.
- To address this issue, firms should demonstrate a willingness to explore alternative commercial and contractual models, and become more selective about the work that they're willing to bid for. The firms that will be most effective at building trust will be those that promote a culture of honesty with clients around the limitations of their expertise and capacity.
- Increasingly, firms are starting to embrace the idea of becoming more purpose-driven service providers. To do this successfully, however, they should be careful to ensure that their sense of purpose is fully embedded into their core profit-making activities.
- As a people-driven industry, it's important that a firm's sense of purpose is expressed through the way it manages its workforce—for example, through DEI initiatives or through initiatives designed to protect the health and wellbeing of consultants.



It's impossible for a consulting firm the size of ours to build trust without a strong value system. The trust that we have with our clients is built on an understanding that we're going to consistently deliver the things we promise without cutting corners. And, in order to do that, every single person within the firm has to operate to the same standard of excellence. That isn't a question of training, it's a question of values. That's why it's so important, not only that we have a shared value system across the firm, but that those values play a major role in driving the day-to-day work of our consultants.

Mohamed Kande, PwC



The scrutiny on consulting firms has never been more intense than it is today. Clients have higher expectations during the pitch process than they used to, so as a firm, you have to be able to lean heavily on things like referrals, case studies, and impact stories. Storytelling is hugely important for every consulting firm in today's market. And, ideally, your firm's sense of purpose should be a big part of that story.

Scott Davis, Prophet



In order to create an enduring consulting brand, you have to set yourself up for success in both good times and harder times. The best way to do that is to ensure that your brand is both distinctive from the competition and undergirded by a strong commitment to a set of values and a sense of purpose.

John Rudaizky, EY



Methodology

Unless otherwise noted, the data in this report comes from a study of buyers of consulting services conducted in September and October 2021. This study consisted of a survey of 200 US-based senior executives, all of whom had personal experience buying consulting services within the last two years. All respondents in this study worked in organisations with 500 or more employees, and all occupied a senior manager role or higher within their organisations. Further details about their employers and their roles within their organisations are shown in Figures 4, 5, and 6.

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 changing role that trust plays in clients' buying decisions, and how firms are responding to that shift, we also conducted a series of interviews with buyers of consulting services and a range of leading consulting firms. A full list of contributors is available at the back of this report, excluding those who wished to remain anonymous.

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 4

Sector breakdown of our sample

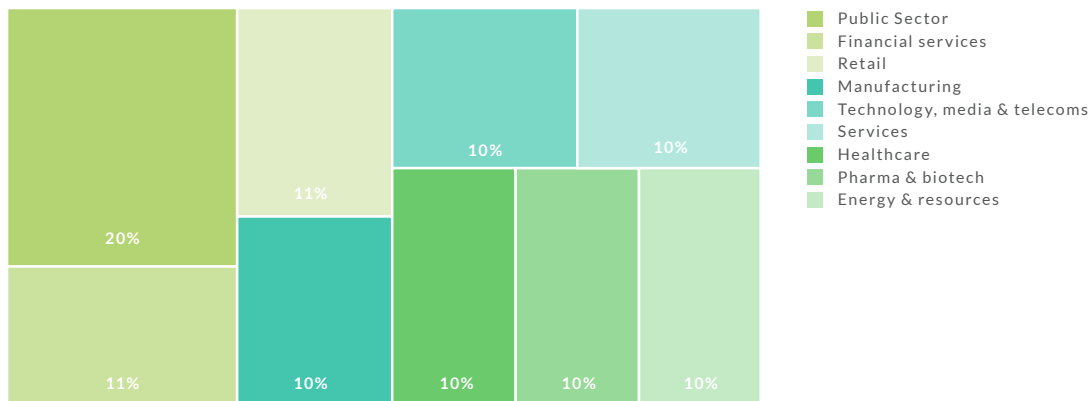


Figure 5

Revenue of client organisations in our sample

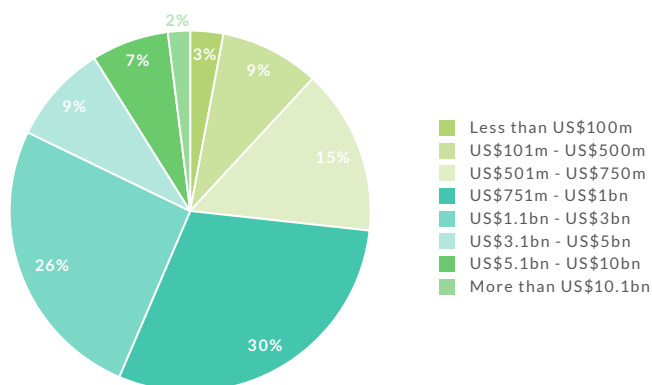
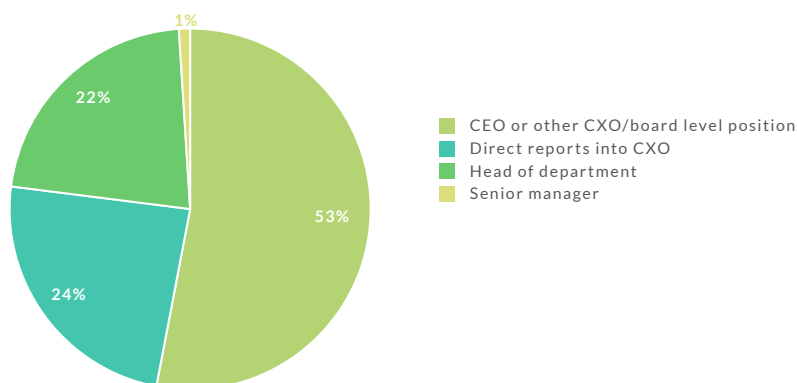


Figure 6

Seniority of clients in our sample





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 consultants and clients who wished to remain anonymous).

Name	Job title	Organisation
Scott Davis	Chief Growth Officer, Senior Partner	Prophet
Chris Goodman	Chief Marketing Officer	Crowe
Robert Fisher	Global Leader – The Trusted Imperative	KPMG
Eric Fulwiler	CEO and Founder	Rival
Mohamed Kande	Vice-Chairman, US & Global Advisory Leader	PwC
Jill Kramer	Chief Marketing and Communications Officer	Accenture
Nancy Leibig	Director, Brand, Insights and Market Strategy	Crowe
Jay Nibbe	Global Vice Chair	EY
John Rudaizky	Partner, Global Brand and Marketing	EY
Patrick Scott	Executive Vice President	Protiviti
Adam Todd	Vice President – Marketing & Communications	Protiviti
Julian Wakeham	Partner and EMEA Clients and Markets Leader for Consulting	PwC



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.

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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.

Fergus has now left Source, though we'd like to credit him for producing and writing this report. If you have any questions at all about the report, please get in touch with Lindsay Stark at lindsay.stark@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 Nordics Canada	UK US	
	February		Germany Financial Services	
	March		Healthcare & Pharma GCC France	Buying and Selling
Q2	April	France DACH Australia Southern Europe	Nordics Energy & Resources Technology, Media & Telecoms	
	May		China Japan	Digital, Transformed?
	June			
Q3	July	China Benelux South America South East Asia India Japan Eastern Europe & Russia Africa Energy & Resources Financial Services		
	August		Perceptions of Risk Firms Perceptions of Tax Firms	Consulting's New Talent Crisis
	September		Perceptions of Audit Firms	
Q4	October	The Global Tax Advisory Market The Global Risk & Cybersecurity Services Market Healthcare & Pharma Technology, Media & Telecoms Consumer Products & Retail Planning for Growth in 2022		
	November			Building a Trusted Brand
	December			

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

For more information about any of these, please visit our website or get in touch.