

Report
November 2023

EXTRACT



PERSPECTIVES

**The Consulting Market
Through the Eyes of
Technology Buyers**

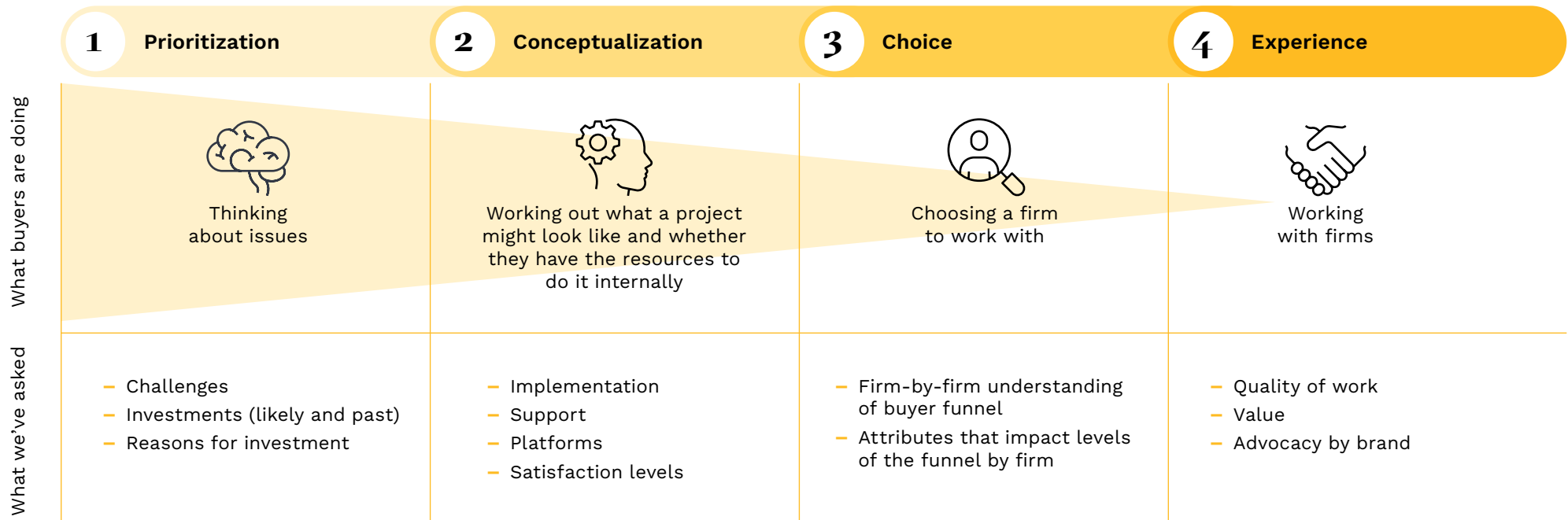


What's included in this report

We've designed this report to follow clients' buyer journeys closely, from start to finish. To do so, we've combined two models to underpin this research. The first outlines how projects come to market, following clients' journeys as they weigh up the issues they need to act on, how they should tackle them, and then which firms to choose to help support them. The second is Source's Brand Affinity Framework, which is leveraged to gain insights as to how brand and buyer journeys intersect.

Firms included in this report:

- Accenture
- EY
- McKinsey & Company
- Capgemini
- IBM Consulting
- PwC
- Cognizant
- Infosys
- TCS
- Deloitte
- KPMG
- Wipro



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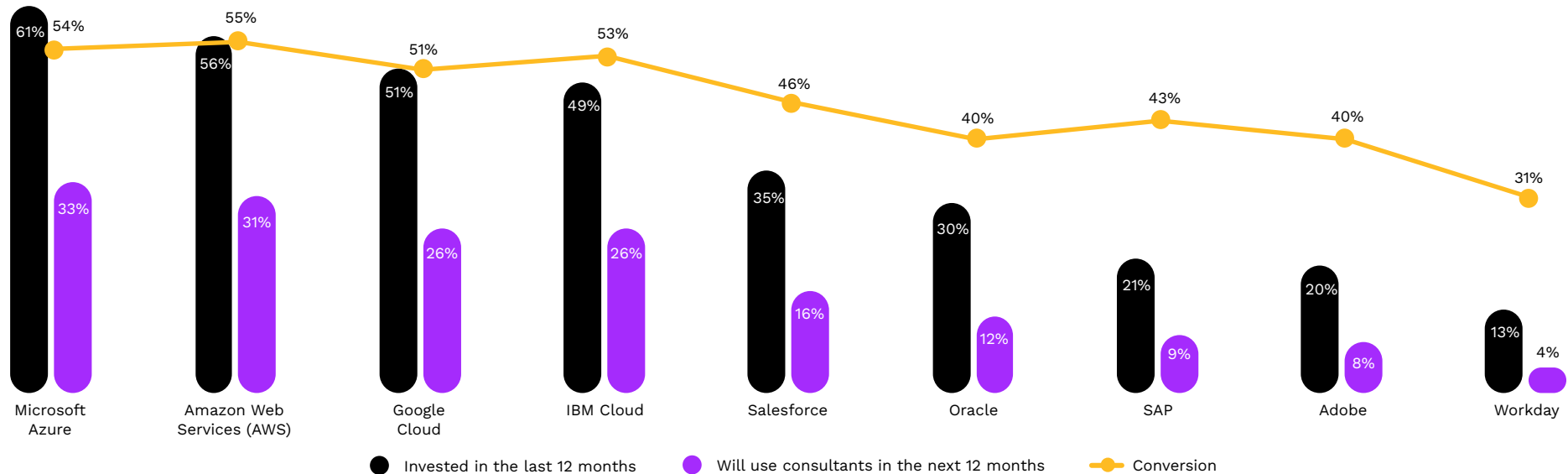
1 Cloud platforms dominate investment and support needs.

The majority of clients say their organizations have made significant investments in cloud solutions in the last 12 months, with **Microsoft Azure**, **AWS**, and **Google Cloud** leading the pack. When they do invest, clients are more likely to use the greatest amount of consulting support in the next 12 months to take advantage of these cloud hosting services.

Firms are likely to continue to see strong opportunities for work around the cloud, and, even where clients are working on major systems such as **Salesforce**, **Oracle**, or **SAP**, are likely to find work helping clients migrate these to hosted cloud services.

Figure 1

Comparing clients' investments with future use of consultants



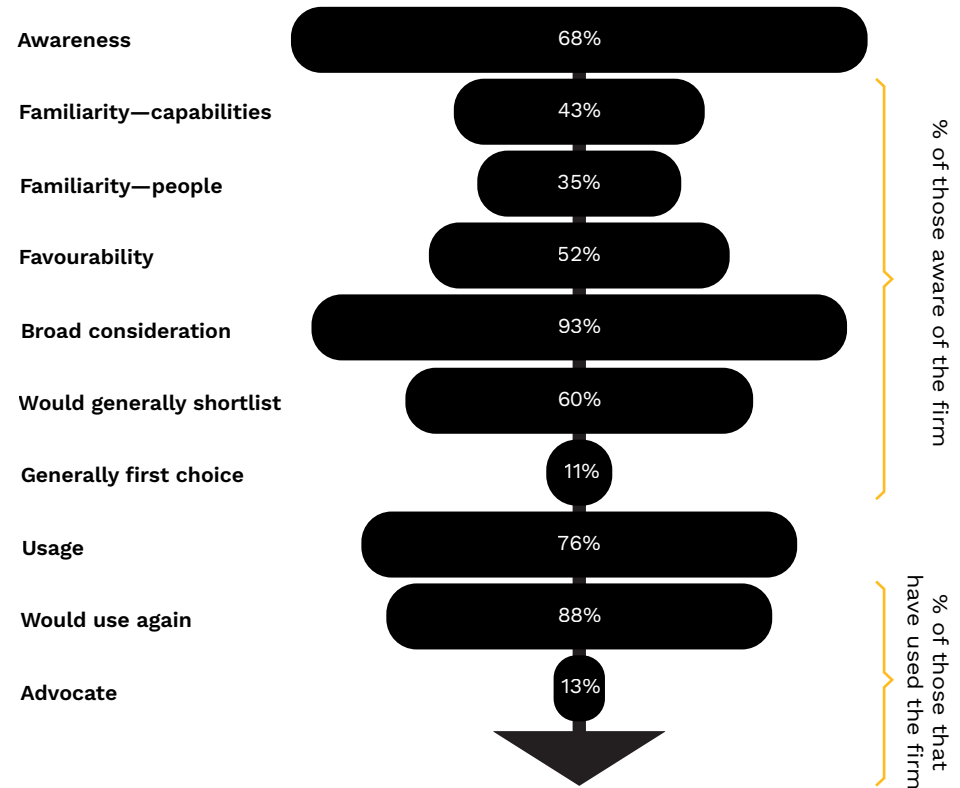
Overall buyer funnel of technology consultants

This overall buyer funnel starts with the average awareness of firms. Those who are aware are then asked about their familiarity with firms, both in terms of familiarity with firms' capabilities as well as relationships with their teams. Those who are aware are also asked how favourably they perceive said firms. We then asked whether clients generally consider using this firm (what we've termed broad consideration), whether they generally shortlist it, and whether this firm is generally their first-choice firm.

Of those who are aware, usage scores are based on the use of firms for technology platforms specifically. Those who've used firms are also asked if they'd recommend said firms again and if they'd be willing to put their individual reputation on the line for these firms (advocacy).

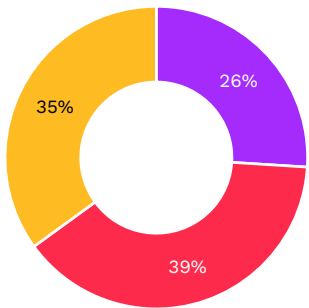
Figure 15

Buyer funnel across firms



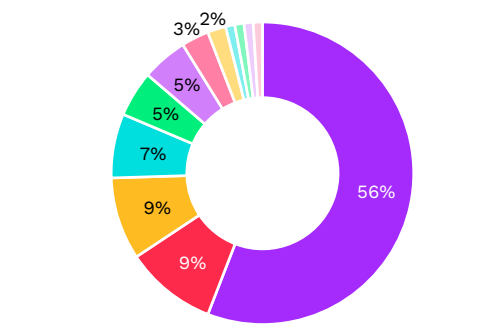
Methodology in full

By seniority



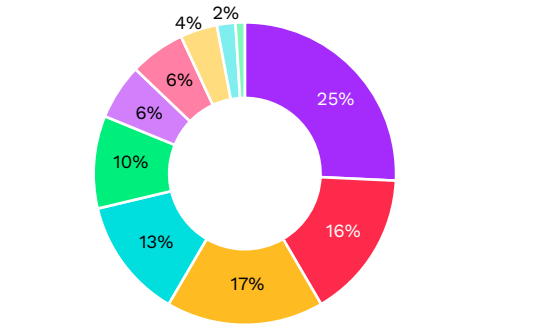
- Head of department
- Direct report
- CxO/board-level management

By function



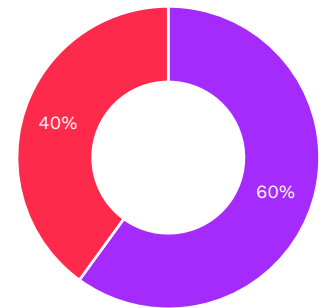
- IT and digital technology
- Data & analytics
- Cybersecurity
- Finance
- General management
- Human resources
- Operations
- Sales & marketing
- Risk/compliance
- Strategy
- Procurement
- Other

By sector



- Technology, media & telecoms
- Financial services
- Retail
- Manufacturing
- Energy & resources
- Healthcare
- Services
- Pharma & biotech
- Other
- Public sector

By headcount



- 1,000-4,999 employees
- 5,000+ employees

What did we ask them?

We surveyed 300 senior buyers of technology consulting services in the US in July-August 2023, all of whom have personally taken decisions to bring in consultants for either technology consulting, technology services (including systems integration and outsourcing), cyber/information security, and/or data & analytics, 89% of whom work for organizations with over \$500m in annual revenue. We asked them questions about the buyer journey as relates to technology consulting, focusing on the following areas:



1 Prioritization

In the prioritization stage of the buyer journey, clients are considering the current state of their organizations, what challenges they're facing and where they've already made investments, in addition to understanding what business possibilities are worth thinking about as future projects.

- **Challenges organizations are facing:** We ask respondents to choose the top two challenges they perceive their organization to be facing regarding technology. They can answer scaling IT, weak innovation around digital products and services, cybersecurity threats, increasing cost of running IT infrastructure, cultural distance between IT function and wider business, systems that are poorly integrated, threats from more nimble competitors, unstable IT infrastructure, poor data and information, poor customer/employee experience, lack of technology skills across the business, and/or unsure how to implement new technology effectively.
- **Recent investments in technology platforms:** Respondents are asked which major technology platforms their organization has invested in over the last 12 months. They can select all that apply out of Microsoft Azure, Amazon Web Services, Google Cloud, IBM Cloud, Salesforce, Oracle, SAP, Adobe, and Workday, or none of the above (note, this list is referred to as 'platforms' as the methodology continues).
- **Reasons for investments in platforms:** We ask respondents who say they have invested in technology platforms in the last 12 months to describe why they have invested in those platforms. They can select all that apply out of improved customer experience, generation of data and insights, scalability, gaining competitive advantage, agility and innovation, collaboration and integration, efficiency and cost savings, and risk mitigation.
- **Future investment shifts:** Respondents are asked about the change in their organization's investment in technology in the next 12 months. They can answer investment will considerably increase, somewhat increase, will stay the same, or will somewhat decrease.
- **Reasons for overall technology investments:** Of those who report technology investment will considerably or somewhat increase in the next 12 months, we ask respondents to describe the main reason for increased investment. They can answer (note that these are shortened or adjusted for brevity) investing to grow the business, investment will improve productivity, investment is necessary to keep up with competition, investment is necessary to improve customer experience, investment will improve resiliency and sustainability, investment will give us access to better data/information, new products need to be developed/launched, and there's been less investment than needed recently.

2 Conceptualization

At this stage of the journey, clients understand the challenges and possibilities on the business horizon. They are thinking about specific opportunities and whether projects require external help or could be executed internally.

- **Likely use of consultants in the future to help with technology investments:** Of those who've made technology investments, we ask respondents to explain how they intend to manage the implementation of the investment made in technology in the next 12 months. They can answer by recruiting contractors for a specific period of time, by using their internal resources, by using a combination of internal resources and external firms, or by using firms that specialise in technology.
- **Type of support likely needed from consultants:** Of those who said they might use professional services firms to help manage the investment in technology in the next 12 months, we ask respondents what type of support they might need from consultants across cybersecurity services, data analytics and business intelligence, strategic consulting about technology, digital transformation, software development, cloud computing services, IT project management, IT support and maintenance, and system integration. They can answer a lot of support, some support, a little support, or no support at all.
- **Comparing client investments with future use of consultants:** We ask respondents what major technology platforms their organizations have invested in over the last 12 months. They can select all that apply out of SAP, Oracle, Salesforce, Workday, Google Cloud, Microsoft Azure, Amazon Web Services, IBM Cloud, and Adobe. We also ask respondents which, if any, of the major technology platforms mentioned will be involved when using support from consultants. Conversion scores are calculated by dividing the percentage of respondents who say they will use a consulting firm for support with a platform by the percentage of respondents who say their organization has invested already in a platform.

3 Choice

At this stage of the journey, clients understand their challenge and have decided to either approach it using internal resources or by using external help. Source's framework follows clients as they decide which firm they'll choose for external help.

- **Attributes that matter most when choosing a firm:** We ask respondents to describe the two most important attributes when selecting firms to work with. They can answer level of innovation, ability to implement, quality of subject matter experts, responsiveness and flexibility, sector knowledge and expertise, strength of ecosystems, speed of delivery, global reach, ability to match suitably qualified people to projects, breadth of services, quality of thought leadership, account management, environmental, social and corporate governance credentials, methodologies the firm uses, collaborative working style, or cultural fit with an organization.
- **The buyer funnel:** We also ask respondents a number of questions to construct a buyer funnel, illustrating the process from awareness to buying from a firm, to advocating for a firm:
 - **Awareness:** We ask all respondents which firms they have heard of from a list of 12 leading US consulting firms. Scores are based on the percentage of respondents who say they are aware of each firm.
 - **Familiarity (capabilities):** For firms they're aware of, we ask respondents to describe how familiar they are with a firm's capabilities in general terms. Respondents can answer that they are not familiar at all with the firm's capabilities; know a little bit; know a fair amount; or know the firm's capabilities very well. Scores are based on the percentage of those who say they know the firm's capabilities very well.
 - **Familiarity (people):** For the firms they're aware of, we ask respondents to describe their relationship with the practitioners at each firm. Respondents can answer that they don't know anyone at this firm; are aware of some experts at this firm but have no relationship with them; have a reasonable relationship with some experts at this firm; or have a good relationship with experts at this firm. Scores are calculated as the percentage of those who say they have a good relationship with experts at a firm.
 - **Favourability:** For the firms they're aware of, we ask respondents to describe their overall attitude towards a firm. Respondents can answer that they would be critical without being asked; they would be critical if asked; they would be neutral if asked; they would speak highly if asked; or they would speak highly without being asked. Scores are calculated as the percentage of those who answer that they'd speak highly of a firm with or without being asked.
- **Broad consideration:** For firms they're aware of, we ask respondents to describe at what level they'd consider working with a firm. Respondents can answer I'd generally not consider this firm; I'd generally consider this firm; I'd generally shortlist this firm; or generally this firm would be my first choice. This score is calculated based on a combination score of those who report they'd generally consider the firm, generally shortlist the firm, and generally choose it as a first choice.
- **Shortlist:** For firms they're aware of, we ask respondents to describe at what level they'd consider working with a firm. Respondents can answer I'd generally not consider this firm; I'd generally consider this firm; I'd generally shortlist this firm; or generally this firm would be my first choice. The shortlisting score is calculated based on a combination score of those respondents who say they'd generally shortlist a firm and those who say a firm is generally their first choice.
- **First choice:** For firms they're aware of, we ask respondents to describe at what level they'd consider working with a firm. Respondents can answer I'd generally not consider this firm; I'd generally consider this firm; I'd generally shortlist this firm; or generally this firm would be my first choice. The first-choice score is calculated based on those respondents who report that generally the firm would be their first choice.
- **Usage:** For firms they're aware of, we ask respondents if their organization has purchased any consulting services from firms in relation to specific technology platforms in the past 12 months. Respondents can answer a firm as a main provider for each platform or that support wasn't purchased for a given platform. The usage score is based on the percentage of respondents reporting that the firm has been used as an organization's main provider for any platforms in the past 12 months.

- **Would use again:** Of those who've used firms in the last 12 months, respondents are asked if they'd work with the firm(s) again. Respondents can answer yes, in broadly the same areas; yes, and I am willing to use this firm in new areas; or no. This score is calculated based on the combination of those percentages of respondents reporting they'd be willing to work with the firm again in either the same area or new areas.
- **Advocate:** Of those who've used firms in the last 12 months, we ask respondents to describe their sentiment towards firms they say they'd work with again. Respondents can answer I trust individuals at this firm, rather than the firm itself; overall, I trust this firm; I would recommend them to senior colleagues without hesitation; or I would put my personal reputation on the line for this firm. The advocate score is calculated as the percentage of those who report willingness to put their own reputation on the line for the firm.

Note that in the charts we present in the firm-by-firm analysis, the labels represent the percentage of respondents of the relevant sample who were asked the question giving the required response. However, the length of the bar is shown relative to the entire sample of respondents to show the percentage of the whole sample that passes to each step of the buyer funnel.

- **Attributes driving clients down the buyer funnel:** Regression analysis shows which attributes have the greatest positive/negative impact at different stages of the buyer journey. In addition to asking respondents about each stage of the buyer journey (see 'The buyer funnel'), we ask respondents questions to understand attributes specifically about firms' authority, leadership, overall qualities, as well as any negative associations. For these questions, respondents are randomly and evenly assigned two firms they're aware of to respond about, to ensure we get an equal number of responses about different firms.
We first ask respondents to describe the extent to which they agree with the following statements (which we call '**master attributes**') about each of the two firms they're assigned to answer about:
 - It's the leading intellectual authority on the issues that matter to my organization
 - It's a leading firm for information about emerging topics
 - Most senior stakeholders in my organization would be comfortable hiring this firm
 - This firm's price point is reasonable
 - This firm understands my organization's needs

In response to each option, respondents can answer strongly disagree, disagree, neither agree or disagree, agree, or strongly agree to each of the above master attributes.

We ask respondents how they'd rate each firm in the areas that matter most when choosing a firm (see selections within 'Attributes that matter most when choosing a firm' above). They can answer very poor, poor, average, good, or very good to each of these attributes.

We also ask respondents if they have any **negative associations** with firms. They can select all that apply out of arrogant/overconfident people, poor at implementation, swaps team members too frequently, inconsistent quality of people, weak technology expertise, aggressively sells to me/my organization, too expensive, inflexible/uncooperative, and hierarchical/elitist.

Regression scores/percentages indicate how much more likely a client is to speak positively or negatively at that stage of the funnel if they either agree a negative attribute applies or rate the strength of a firm's attribute one point higher on a five-point scale.

- Firm-by-firm analysis is carried out by grouping scores for each firm versus those of all other firms combined.
 - Firm vs other firms **master brand attributes** (see 'master attributes' for the full list): Scores are calculated based on an aggregation of percentages of those who answer agree and strongly agree.
 - Firm vs other firms **negative associations** (see above for the full list): Scores are calculated based on the percentage of those who agree the negative association applies to a firm.
 - Overall **attribute scores** by firm vs other firms (see above 'Attributes that matter most...' for the full list): Scores are calculated based on an aggregation of percentages of those who answer good and very good.
 - **Shortlisting firms by platform:** We ask those respondents aware of firms if they'd shortlist each firm for work on SAP, Microsoft Azure, Google Cloud, Salesforce, Amazon Web Services, Oracle, Workday, Adobe, and/or IBM Cloud.
 - **How to use a firm:** Of those firms they would shortlist, we ask respondents if they'd consider using each firm for advice, both implementation and advice, or only implementation.

4 Experience

In this stage of the buyer journey, clients have chosen and worked with a firm. They now consider their experience with the firm and if they'd be willing to work with them again, in the same or different area, and whether they'd be willing to recommend the firm to others.

For quality and value-added questions, respondents are randomly allocated to answer further questions about two firms they're aware of. Scores for value-added questions are calculated based on this allocation and grouped further by relationship with the firm in question (i.e., direct clients are those who say they've hired the firm in the last 12 months and prospects are those who are aware of the firm, but have not hired the same firm in the past 12 months).

- **Quality:** We ask respondents to rate each firm's quality of work (of the two assigned to them) with platforms (see options above). They can say very high, high, average, low, or very low. Scores are calculated as an aggregation of the percentage that answered high and very high.
- **Value added:** We ask respondents about the approximate value added by each firm (of the two assigned to them) on their latest project in relation to fees paid. If respondents have not worked with the firm, they are asked to estimate the approximate value added they would expect. They can answer less than the fees paid, around the same as the fees paid, twice what was paid, five times what was paid, or ten times what was paid.
- **Firm-by-firm analysis** is carried out by grouping scores for each firm versus those of all other firms combined in relation to quality, value added, and advocacy scores.
- In addition to viewing firm data for quality, value added, and advocacy, the firm-by-firm analysis also includes a look at first-choice firm by technology platform. Of all firms they're aware of, we ask respondents which firm would be their first choice to work with by platform. They can answer any firm they're aware of for any of the platforms. Rankings by platform are based on percentages of respondents saying they'd choose a particular firm as their first choice to work with for a given platform.

Meet the **experts**

Alison Huntington

Alison is Director of Client & Brand Insights, overseeing all of the research and custom work we do in the area. She's worked with many of the world's leading consulting firms on brand benchmarking, proposition testing, and client feedback projects, as well as authoring reports and white papers on the industry's most pressing issues and topics. Alison regularly presents her insights at Source events, writes blogs for our website, and appears on *The Future of the Firm*, Source's podcast. Prior to joining Source, Alison worked at Deloitte and Moorhouse as a consultant for five years, working in a variety of industries.

Martin White

Martin is a Principal Consultant in our Client and Brand Insights team. He is an experienced writer and analyst specialising in client perceptions, and helps professional services firms to understand how they are perceived in the market across multiple lines of business including consulting, risk advisory, tax advisory, and audit. His recent work with Source includes not only authoring a number of our Client Perceptions Studies and Market Trends reports, but also leading on brand benchmarking exercises, message testing projects, and conducting research involving extensive interviews and surveys. He regularly appears on the Source podcast, *The Future of the Firm*, and has been quoted in publications including Accountancy Today and the Financial Times.

Prior to joining Source in 2019, Martin spent more than 11 years as an economic and financial consultant in a variety of roles at FTI Consulting and LECG.

Martin White

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About us

We help professional services firms **understand what really matters** when facing decisions of vital importance.

The best decisions are based on evidence, objectivity, and a willingness to change. That's why, at Source, we tell you what you need to hear, rather than what you want to hear.

We draw upon our deep roots within the professional services sector to provide firms with a clear picture of their clients' worlds. Through comprehensive research and meticulous analysis, we pinpoint what truly matters and deliver actionable insights that help firms map out the right way forward.

We believe in thriving individually and succeeding together. And we would love to help your firm crack its latest conundrum.

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