

EXTRACT



Emerging Trends

EMERGING

Expertise

Report

Oct 2024



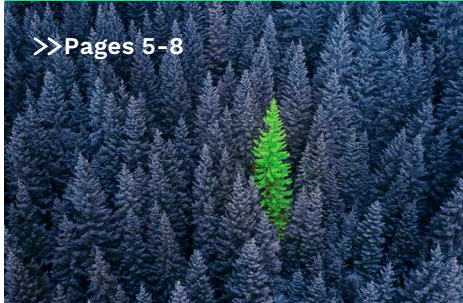
Contents

1

What really matters

Digital transformation is the biggest driver of demand for consulting services, but it also poses significant challenges.

>> Pages 5-8

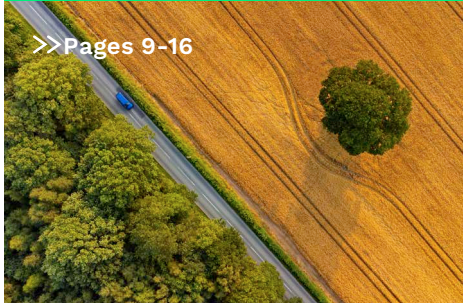


2

Buying behaviours

Expertise plays an important role when clients are choosing a firm to work with.

>> Pages 9-16

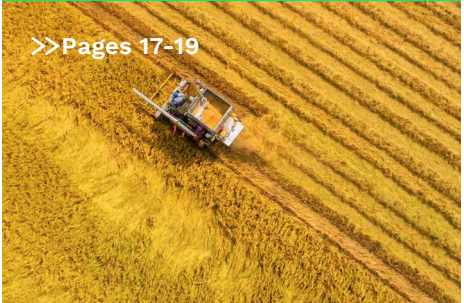


3

How does expertise make an impact in client organisations?

We look at how expertise is used by clients to make a difference and where it comes from.

>> Pages 17-19



4

What do clients think of the expertise available to them?

Here we consider which types of expertise are the most important to clients and why.

>> Pages 20-24



About this report

>> Pages 25-26

About us and other reports

>> Pages 27-28

Introduction

Expertise matters.

Across all our research and conversations in the market, expertise is what clients talk about most when it comes to professional services. Our annual survey of client perceptions has been tracking the attributes that matter most to clients for a number of years, and it tells an interesting story. Pre-pandemic, clients put expertise—whether sector knowledge or subject matter experts—in the bottom quarter of the table. This didn't mean that expertise wasn't important to them, simply that other attributes were relatively more important. The assumption was that pretty much all firms had the expertise that mattered, and other attributes were therefore used to differentiate between them.

The pandemic changed that. As the crisis continued, clients realised that not all consultants were made the same. And some had considerably more relevant expertise to the issues at hand than others. From 2022 onwards, expertise has been firmly in the top quarter of attributes, a view no doubt reinforced by the significant number of recent crises generated by geopolitics and economics.

But what actually is “expertise”? This report sets out to answer that question and to illustrate how it can differentiate your firm.

Figure 1

Attribute importance over time

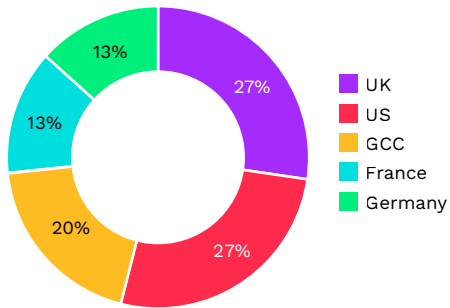


Data source: Client Perceptions Study, Source, 2024

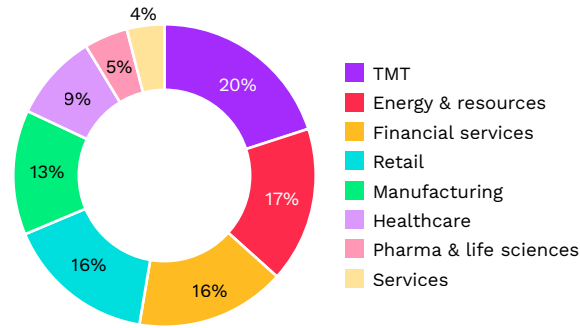
Methodology

We surveyed 150 senior executives in July 2024, all of whom are responsible for buying consulting services. Respondents worked in five geographies, all of which are important in terms of scale and/or growth potential—the UK, US, Germany, France, and the GCC. They were also drawn from a representative mix of sectors and functions. Three fifths came from organisations with more than 5,000 people.

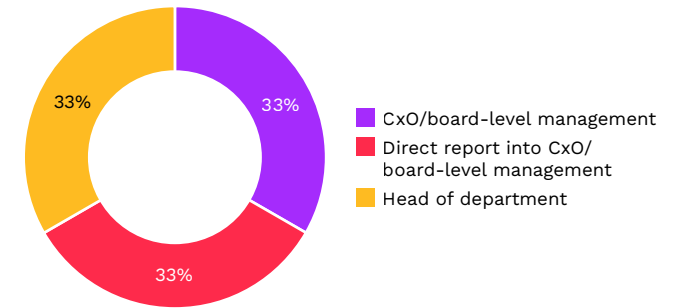
Respondents by geography



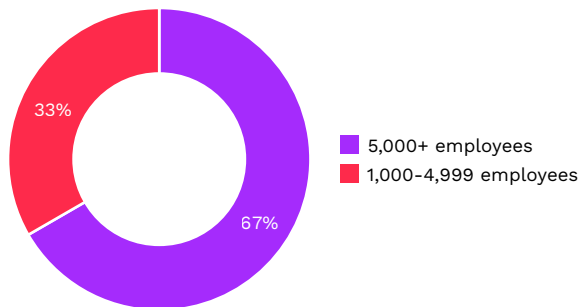
Respondents by sector



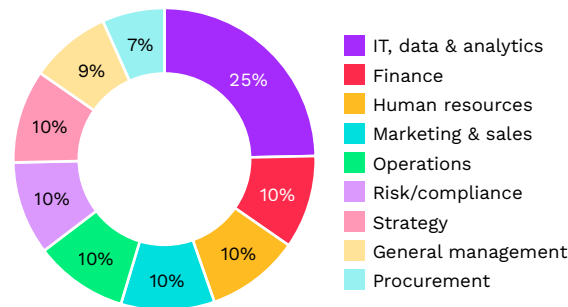
Respondents by responsibility



Respondents by headcount



Respondents by function





What really matters

Clients don't just want expertise, but expertise that can be effectively applied to their organisation..... 6

Technology and sector expertise are what clients are most likely to be looking at, but they are also likely to be critical of what's on offer 7

Innovation means many things, but it's not the answer to clients' every problem.....8

2



“When we’re looking at a new project, we start by assessing whether we have the internal skills to get there. We’ll use external support if we need it, but it needs to be focused expertise on a particular topic that can come in and quickly call into action senior management.”

Transformation Director, manufacturing

Buying behaviours

- Use of consultants is set to increase further, but clients don’t attribute this to wanting expertise 10
- Clients say they want expertise of all stripes, and innovation is important too..... 11
- Clients value technology and sector expertise—and prior relationships—when choosing a firm12
- When it comes to shortlisting, clients want experts, speed, and innovation 14
- When assessing proposals, clients look to the firm’s track record of sector and technology expertise15
- Expertise can also make the difference when firms want to engage a new client, and that’s at both an individual and a firm level.....16

3



“Sometimes we’re guilty of looking at a problem just from a sector point of view, which can be quite restrictive. When we can bring in someone with a range of views, it opens up a whole new way of approaching it.”

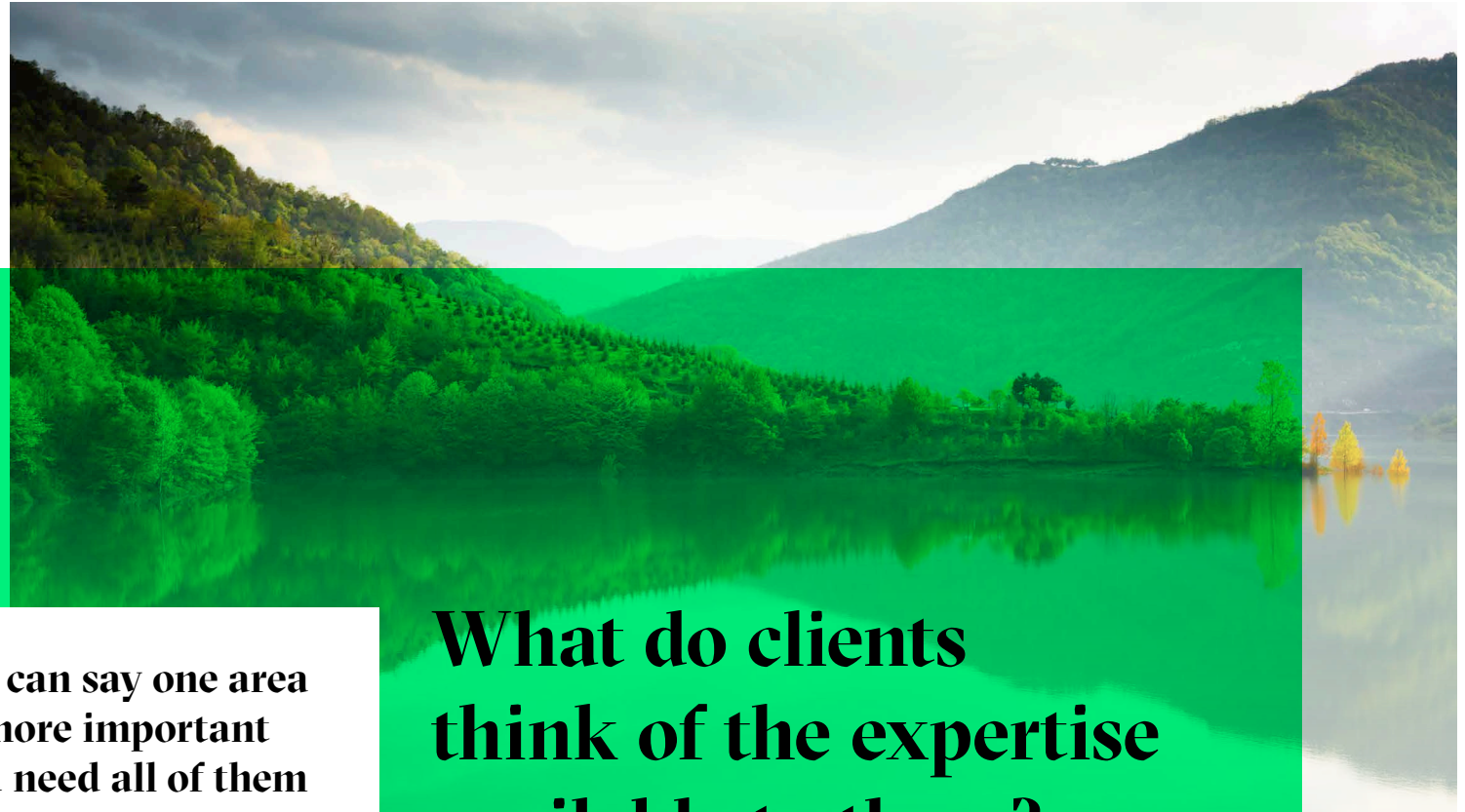
Chief Strategy Officer, energy

How does expertise make an impact in client organisations?

Consultants can bring the innovation and authority that clients struggle to get internally... 18

...But it’s the expertise of individual consultants rather than the wider firm that counts... 19

4



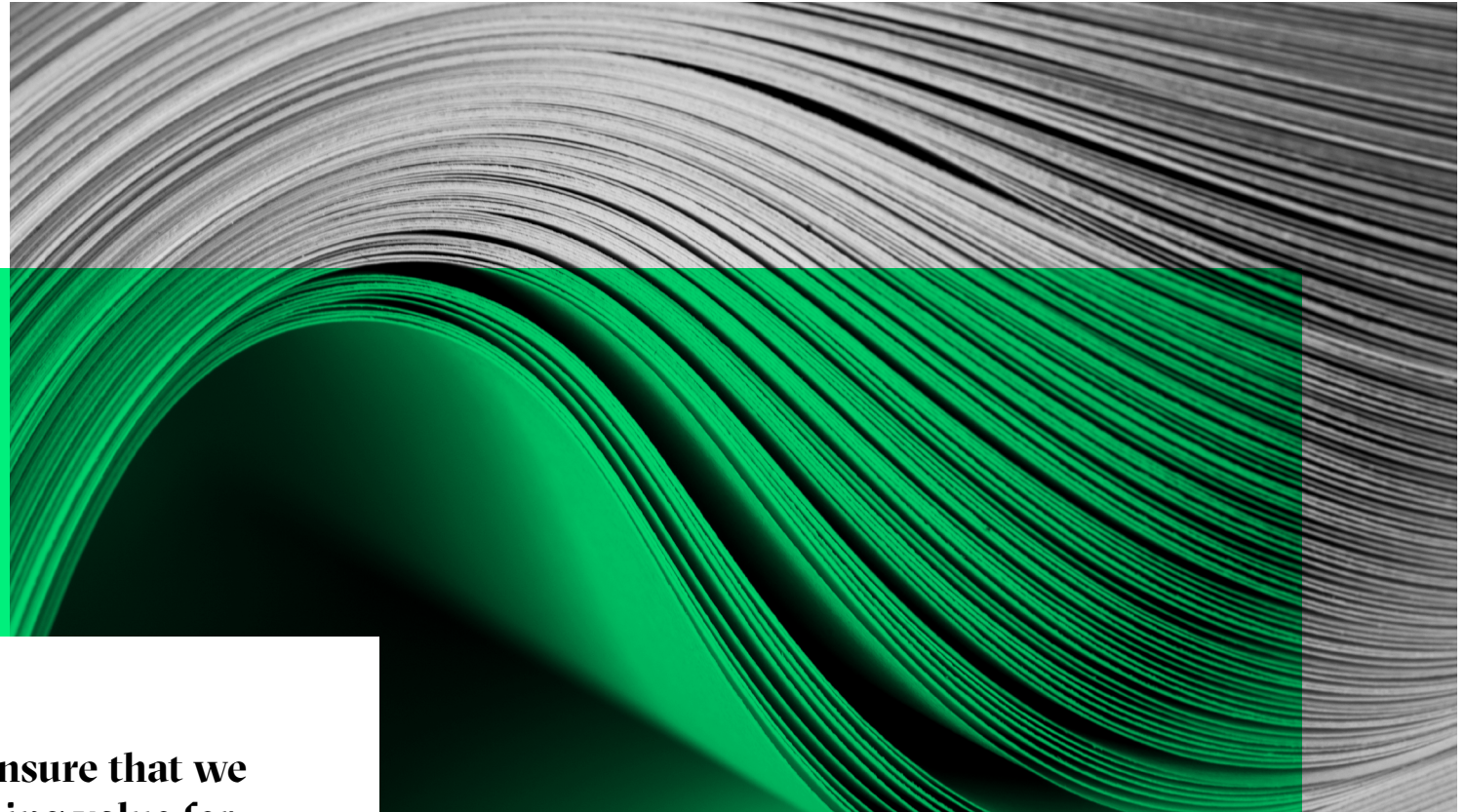
“I don’t think you can say one area of expertise is more important than another: you need all of them in combination. What is expertise if it doesn’t have data around it? Technology delivers data, improvement, expertise to support the experts. It’s the vital blood supply.”

CEO, automotive

What do clients think of the expertise available to them?

- Clients think they now have more industry expertise than consultants, but that doesn’t seem to matter..... 21
- There is a clear demand for—and shortage of—technology expertise22
- Clients particularly want to see technology expertise woven into their business consulting projects... ..23
- ...And they want it implemented in a way that takes into account the nuances of their organisation.....24

5



“We want to ensure that we are really getting value for money from the partners we are engaging and expertise is an important factor in that.”

CEO, TMT

About this report

Meet the expert.....	26
About us.....	27
Publication schedule 2024	28

Meet the expert

Catherine Anderson

Catherine is a Principal Consultant at Source in our consulting practice area. Focused on bespoke project work, she turns qualitative and quantitative data into meaningful, strategic insights for professional services firms. Recent projects include identifying opportunities in new markets and analysing client sentiment and how to harness it effectively. She also oversees the Emerging Trends programme, and is often found presenting reports and research on a wide variety of topics. Prior to joining Source, Catherine managed large transformation programmes in the financial services sector.

Catherine Anderson

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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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Publication schedule for 2024

2024	Market Trends Reports	Market Trends Briefings	Client Perceptions Studies	Emerging Trends Programme	White Space Reports	White Space Insights
January						
Q1 February	Forecasts for 2024 UK GCC France	India		ET1 Ecosystems	Client Perceptions of Thought Leadership	Featured thought leadership (monthly) Quarterly webinar series
March			UK US Germany			
April	Nordics US		Financial Services GCC France			
Q2 May	DACH Australia East Asia		Retail Australia Energy & Resources			Featured thought leadership (monthly) Quarterly webinar series
June	South East Asia		Technology, Media & Telecoms China Japan	ET2 Go-to-Market Strategy	The Source Quality Ratings Report (QRR)	
July	Africa Energy & Resources			ET3 The Future of Consulting		Featured thought leadership (monthly) Quarterly webinar series
Q3 August	Financial Services Technology, Media & Telecoms	South America Healthcare & Pharma				
September	Sustainability			ET4 Digital Transformation	The Thought Leadership Innovation Report	
October	Tax Risk		Risk Tax		Hot Topic Report	Featured thought leadership (monthly) Quarterly webinar series
Q4 November	Technology Planning for Growth in 2025		Audit Technology	ET5 Expertise		
December				ET6 What Clients Will Want in 2025		