

IDC MarketScape

IDC MarketScape: Worldwide Digital Strategy Consulting Services 2019 Vendor Assessment

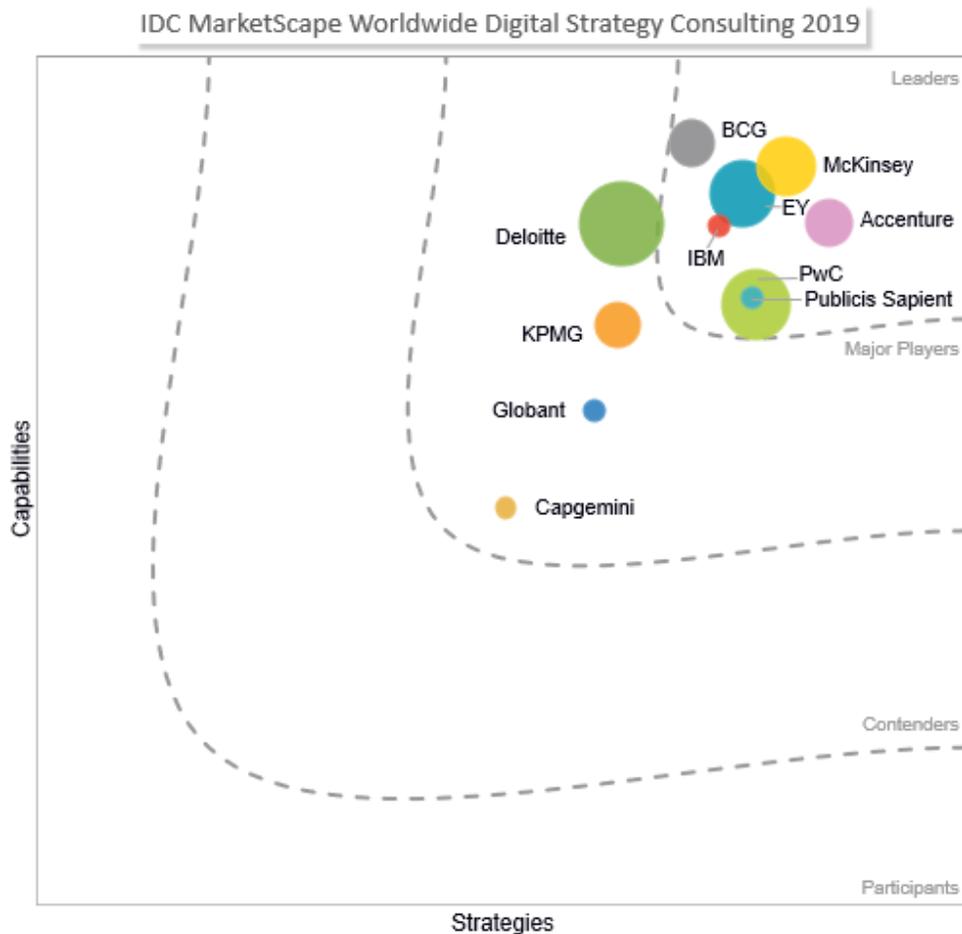
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THIS IDC MARKETSCAPE EXCERPT FEATURES PUBLICIS SAPIENT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Strategy Consulting Services Vendor Assessment



Source: IDC, 2019

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Digital Strategy Consulting Services 2019 Vendor Assessment (Doc # US43700818). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's current and future success worldwide. This study assesses the worldwide capabilities and business strategies of 11 prominent digital strategy consulting suppliers. This evaluation is based on a comprehensive evaluation framework that includes analysis of a set of parameters expected to be most conducive to vendor success in providing world-leading digital strategy consulting services for clients during both the short term and the long term.

A significant component of this evaluation is end-client input: the inclusion of digital strategy consulting buyers' perception of the key characteristics and capabilities of consulting providers. This input was gathered primarily from direct interaction with vendors' reference clients, supplemented with the findings of a large-scale (710 responses) worldwide field survey of digital strategy consulting buyers.

The majority of the vendors assessed in this study are among the largest business consulting providers globally, measured by 2017 revenue. As one would expect, overall, these firms performed very well on this assessment. Hence the study found that the majority of the vendors assessed fell into the Leaders category. An evaluation with a larger spread of vendor sizes might have included more vendors in the Major Players and Contender categories.

Context: Clients Prioritize a Mix of Growth and Cost-Focused Priorities

Digital strategy consultancy addresses both the enterprise "cost agenda" (the need to drive efficiency, increase profitability, and reduce costs) and the "growth agenda" (the need to increase revenue, strengthen cash flow, and build the organization's brand). These two types of strategic objectives are currently evenly matched in importance, according to IDC's 2019 *Worldwide Global Buyer Perception of Digital Strategy Consulting Services Providers Survey*, which was run in April 2019 to support this study:

- When IDC asked buyers of digital strategy consulting services to name the most important strategic business objective for their organization, the most cited response (with 21% of respondents) was "make our business more efficient and profitable."
- The second most cited response (with 15% of respondents) was "attract, retain, engage, and monetize our customers better."
- Overall, just over half (53%) of survey respondents worldwide chose growth-oriented themes as their top strategic objectives, while just under a half (47% of respondents) chose themes related to cost and efficiency.

This fine balance between "growth" and "cost" is reflected in the actual work that digital strategy consulting vendors are asked to carry out. The survey asked respondents to discuss a key recent digital strategy consulting project, and then asked what was the most important organizational strategic business objective that the project supported:

- The most cited strategic objective (22% of respondents) for digital strategy consulting projects was "make our business more efficient and profitable," which is a "cost agenda" objective.
- The second-most cited response was "attract, retain, engage, and monetize our customers better" (20% of respondents), which is a "growth agenda" strategic objective.
 - Overall, 52% of organizations cited a "growth agenda" strategic objective as the driver of their digital strategy consulting project, while 48% said that their project aimed to meet a corporate "cost agenda" strategic objective.

Digital strategy consulting work therefore reflects the mixture of strategic business objectives among buyer organizations.

Satisfaction with Digital Strategy Consulting Vendors Is Generally High

Overall, digital strategy consulting services buyers are satisfied with what they are buying. IDC asked digital strategy consulting services buyers to rate their vendors on a scale of 1-5 across a range of capabilities and strategies (for more details, see the Strategies and Capabilities Criteria section). On average, reference clients put forward by the vendors and in the anonymized field survey (whose respondents were selected by IDC and were not proposed by the vendors), gave these services providers generally high marks.

Key findings include the following areas where digital strategy consulting vendors are performing well (and not so well), according to input from reference clients:

- **Challenging the client to accept new approaches or solutions** was the area where reference clients were on average most satisfied with the performance of their digital strategy consulting vendors. This suggests that consultancies are still doing best what they traditionally do best – bringing objective fresh thinking and new best practices to the client.
- The two next areas where consultancies on average performed best according to reference clients were in **providing digital-focused business strategy capabilities** and the **quality of their professional staff**. These are "bread and butter" areas of work where clients expect their consultancies to be highly proficient, and it is good to see that satisfaction with these areas is high.
- The area where reference clients rated their digital strategy consulting vendors lowest on average was in the **transfer of knowledge/skills to clients' employees**. This should probably not be a surprise as the lack of knowledge and expertise transfer when projects end has long been a recurring complaint among consultancy buyers.
- Two other areas where average ratings for vendors were relatively lower were the provision of **supporting capabilities in technology usage/implementation** and the provision of **value-creating innovation**. For more analysis on this subject, see the Advice for Technology Buyers section.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This research includes analysis of offerings from firms with digital strategy consulting and agency offerings worldwide, including those with broad portfolios and specialty services spanning IDC's research coverage.

This assessment is designed to evaluate the characteristics and buyer perceptions of each vendor, as opposed to its size or the breadth of its services. This assessment mostly considers vendors with very large business consulting businesses (i.e., with more than \$1 billion in business consulting revenue in 2017, according to IDC's global revenue tracker) whose digital strategy consulting capabilities exist alongside a broad set of business consulting and IT services capabilities and offerings.

Other vendors on the market with narrower services portfolios and/or with smaller business consulting businesses may be capable of providing the breadth and the quality of digital strategy consulting services required by clients. In addition, an organization's specific objectives and requirements will play a significant role in determining which firm should be considered as potential candidates for any engagement. As such, this evaluation should therefore not be considered a "final judgment" on the firms to consider for an engagement.

ADVICE FOR TECHNOLOGY BUYERS

Buyers should use this IDC MarketScope as one tool in their qualification and selection of potential digital strategy consulting providers. All the vendors in this study have capabilities to help you create a successful strategy for using digital technologies to create business value. The choice about which (if any) services you buy from an external vendor, and which vendor or vendors you buy them from, should be driven by your unique opportunities and challenges needs at any time.

What to Look for Beyond the "Table Stakes"

Key lessons that emerged from input that IDC received from buyers of digital strategy consulting services included the following factors that clients should look for, over and above the "table stakes" of digital strategy capabilities:

- **Look for evidence that the digital strategy consulting vendor can help you build innovation at scale.** For leading organizations that IDC has talked to, the focus of digital strategy has moved on from an initial concern with creating the capabilities and the environment for experimentation to happen to building the structures and the organizational behavior and culture that allows innovation to happen at scale. That means that innovation should happen continuously and right across the organization – it should ideally be "democratized" and should not be the preserve of any one stakeholder group. Innovation should no longer be about elite teams building clever products and services in skunk works isolated from the organizational "mother ship." Rather, it should now be about having structure, financial systems, and the behavior and cultural attributes in place that encourage collaborative, innovative thinking and relentless customer centricity across the enterprise.
- **Look for cultural and personal fit with your digital strategy consulting vendor.** Consulting is still a "people business," and it's important for consultants to work well with their clients on a personal level. In conversations with buyers, IDC found that the buyers that rated their digital strategy consultancy vendors most highly tended to be those where the buyer and the lead consultant had a strong personal connection built on empathy for the client as well as respect and professional commitment.

- **Look for the same commitment, vision, and relentless drive among people at *all* levels of the consultant's organization.** One of the traditional criticisms of consultancies is that they field their best people when pitching to clients but then ship in less experienced and less committed staff for the actual engagement – the "school bus syndrome." In conversations with consultancy buyers for this study, a related criticism that clients made of some vendors was that the quality, proactivity, and commitment of the senior staff that they dealt with from the consulting was not replicated among other – often more junior – staff that they also dealt with. While consultancies obviously cannot clone their best people in laboratories, and while it's hard in the middle of a ferocious war for talent to ensure that all employees embody the values of the consultancy, some reference clients told IDC that their vendors could have done more to ensure that staff at all levels embodied the best of the characteristics of the organization. As one reference client that IDC talked to for this study put it, "Every consultancy brings in the big guns for the pitch, but when it's time for the actual implementation and for the long haul, those guys tend to disappear. The junior guys have a ton of potential, but I want to see them learning less on the job and learning more from their senior peers." Some buyers (including the buyer quoted) marked their vendor down in their scoring, for this reason.

Some Areas of Potential Weakness to Probe For

When considering a digital strategy consulting vendor, it may be advisable to pay special attention to four areas in this worldwide evaluation where buyers of these services were on average less satisfied with their vendors than they were in other areas:

- **Transfer of vendor knowledge and skills to the client's employees.** This is an area where the consulting industry has long been seen – fairly or unfairly – as weaker than it should be. While conversations with consultancy buyers suggest that this has improved substantially in recent years, it was still one of the two areas where, on average, the vendors in this study received their lowest ratings from reference clients. This can have real-world consequences: One reference client IDC talked to for this study said that it had to extend the project to spend more time on training its people. Not surprisingly, the client felt that the consultancy is "capable of doing this, but could be better at it," and therefore did not give its vendor a top score for this category. When contracting with digital strategy consulting vendors, it may be advisable to ensure that transfer of knowledge and expertise is explicitly built into the agreement before the contract is signed and work begins.
- **Differentiation among vendors.** This study aims to help buyers select the right digital strategy consulting vendor by probing strengths and weaknesses across a range of capabilities and strategies by the organizations' profiles. Consultancies compete strongly and tend to offer the same types of services, and innovations pioneered by one consultancy tend to be quickly copied by competitors. Longer-term differentiation often resides in the vendor's way of doing things, in the "how" as much as the "what" and in its intellectual property (such as methodologies, frameworks, and tools). Particularly when selecting digital strategy consulting partners, press them hard for what *really* differentiates them from their peers.
- **Supporting capabilities in technology usage/implementation.** While this study is about digital strategy consulting, it is becoming increasingly difficult to separate digital-focused consultancy from implementation. Corporate strategy now tends to be created and refined on a continuous and real-time basis, using iterative cycles in which insights from "real world" digital implementation feed back into – and improve – the strategy. Moreover, strategy development often involves iterative prototyping of minimum viable products (MVPs) and testing of new technologies. All this means that technology expertise almost invariably plays a role in corporate strategy creation. That is not to say that digital strategy consulting buyers should

only consider those vendors with large-scale IT services capabilities – the technology "tail" should not wave the strategy "dog." Many consultancies have excellent specialized digital implementation capabilities created without the need for a high-volume IT services delivery machine. However, it's advisable for buyers to look for proof of capabilities and experience in technology implementation and to ensure that these will be available whenever necessary during the consulting engagements.

- **Delivery of value-creating innovation.** Innovation for its own sake creates no lasting value – the point of innovation is to use it to achieve business goals. Five years ago, in the initial phase of the current wave of digital-enabled business transformation, it was important for buyers to see evidence that their digital strategy consulting vendors were on top of disruptive new technologies and that they were innovative in how they applied these technologies. Today, innovation among leading enterprises and nonprofits is taken for granted; it has become part of the fabric of the organization. Operationally, the challenge is to ensure that innovation is done continuously and that it scales. Strategically, the challenge is to ensure that innovation addresses the right issues and that its effect can be measured. Buyers are advised to press digital strategy consulting vendors for evidence that they have experience of helping their clients carry out continuous innovation at scale and that they have a track record of helping clients focus on innovation that matters strategically to the business.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Publicis Sapiant

Publicis Sapiant is positioned as a Leader in the worldwide 2019 IDC MarketScape for digital strategy consulting services.

Publicis Sapiant is the digital business transformation arm of Publicis Groupe. The group does not publish revenue for Publicis Sapiant, but overall, the group reported revenue of just under €10 billion in calendar year 2018. Publicis Sapiant has a history of digital and web-based consulting dating back to the 1990s.

Publicis Sapiant has more than 20,000 employees distributed across 53 offices globally. It is increasingly servicing clients across Asia/Pacific, Latin America, and the Middle East and North Africa.

Publicis Sapiant goes to market through a series of industry-focused groups that are pegged within countries. The company produces insights and intellectual assets to support digital strategy consulting capabilities for these industry groups through Global Capability Groups, Practices, and Shared Service Teams:

- Global Capability Groups are responsible for talent development and creating methodologies, intellectual property, and industry benchmark data that is then stored in the company's Knowledge Management function.
- Practices are small teams assembled to incubate new high-growth, cross-industry propositions in collaboration with industry teams and to build the skills/crafts needed to deliver and maintain strategic alliances. Current practices include AI and Data Science, Customer Experience

Platforms, Salesforce, IT Modernization/Engineering Transformation, Cloud, and Consumer Data Platforms.

Strategy & Consulting is a core capability group within Publicis Sapient. Each member of the Strategy & Consulting capability is pegged to a craft area (e.g., corporate strategy) as well as aligned to an industry group (e.g., retail). Crafts include:

- Corporate Strategy, which helps clients define the enterprise and business unit-level digital strategies
- Consumer and Experience Strategy, which creates the end-state consumer and/or colleague experience
- Technology Strategy, which identifies, assesses, and defines the required technologies that will enable the digital strategy and customer/colleague experience
- Data Strategy, which identifies data and analytics use cases, AI/ML and robotics strategy, data modeling, data sourcing and cleansing, data governance, and others
- Innovation, which helps clients assess the opportunity and scope for new business model innovation

Publicis Sapient has an innovation center network, including Emerging Experience Labs in Boston, San Francisco, Seattle, Paris, and Munich; dedicated "P-Lab" Incubators in Atlanta, Boston, and Chicago; Mobile Centers of Excellence in Atlanta, Boston, and Stockholm; and Digital Design Labs in Atlanta, NYC, and Portland, Oregon.

Publicis Sapient's go-to-market strategy leads with expertise on industries including financial services, retail, consumer products, transportation and mobility, telecommunications, media and technology, travel and hospitality, energy and commodities, healthcare, and the public sector.

Publicis Sapient clients include Nissan, Carrefour, Carnival Corporation, Walmart, and Samsung.

Key technology partners include Salesforce, Adobe, Google, IBM (Watson Customer Engagement), Microsoft, and SAP.

Publicis Sapient has a number of processes for coming up with ideas and developing these ideas into bold innovations. At a high level, they are:

- Exploring and understanding stakeholders' needs (framing opportunities and get insight into possible solutions)
- Idea Generation (working with clients to create fewer, bigger ideas, not hundreds of small ones)
- Idea Development (taking innovations from concept to in-market pilots ready for scale)
- Scaling Innovations (taking innovations from pilots to new businesses)

The company typically begins a client engagement using its Publicis Sapient Way for DBT strategy, a multidisciplinary approach combining Experience, Strategy, and Technology. The road map that emerges from this initial phase is managed as a mixed backlog of epics (customer/client experience, capability/process, organization/training, strategic enablers, etc.). After the strategy phase, the company manages the epic backlog actively using its Continuous Exploration process.

Publicis Sapient has proprietary assets including Synapse, a proprietary platform that helps with rapid data lineage assessments and planning, and the Marcel tool, the parent group's proprietary AI-powered personal assistant for practitioners that combines research, intelligence, and proprietary

knowledge with the ability to find expertise and build connections across the firm and to connect people to new role opportunities.

Publicis Sapient partners with faculty from academic institutions including Singularity University, the University of Oxford, Massachusetts Institute of Technology, and Stanford University.

The company also maintains a network of venture capital firms and start-ups in order to challenge executives to think about how to spot opportunities for disruption and to advise clients on internal and corporate venturing, as well as to reflect on their organization's digital strategy.

Strengths

Publicis Sapient rated highly in six areas by clients: transferring knowledge and skills to clients' employees, functional-specific digital strategy capabilities, supporting capabilities in technology, delivering value-creating innovation, differentiation from its competitors, and client willingness to recommend the vendor to any company.

Publicis Sapient was also noted by clients for several other areas, including digital-focused business strategy capabilities, the quality of its digital strategy professionals, and client willingness to recommend the vendor to industry peers.

Comments from Publicis Sapient clients included:

- "Publicis Sapient took a very challenging brief and clearly articulated the strategy in a way that is customer focused, credible and believable."
- "Their focus from strategy to product design and delivery is a clear point of differentiation."
- "Their team learned about a complex industry and delivered a vision for our strategy within a very short period of time."

Challenges

Publicis Sapient has no obvious areas of necessary improvement, according to clients.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Digital strategy consulting (DSC) services are project services that help clients define how they will use "digital" (3rd Platform) technologies and services to achieve their strategic objectives.

Digital strategy consulting services show the client how to derive business value from deploying 3rd Platform technologies and services. These typically include cloud services, big data and analytics (BDA), mobility, cognitive/artificial intelligence (AI) technologies, social business, next-generation security, the Internet of Things (IoT), and other next-generation technologies such as blockchain and quantum computing.

Digital strategy consulting services are chiefly composed of business consulting activities, including strategy consulting, supplemented with technology consulting activity.

Digital strategy consulting services do not include the actual implementation of digital technologies and the actual transformation of business processes and organizational structures that invariably accompany the deployment of new digital technologies and services. However, they may, on occasion, contain a small element of software development services and product engineering services to produce proofs of concept, prototypes, or minimum viable products (MVPs).

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Digital Strategy and Agency Services 2017 Vendor Assessment* (IDC #US41462717, August 2017)
- *IDC MarketScape: Worldwide Digital Strategy Consulting Services for Digital Operations 2016 Vendor Assessment* (IDC #US40634616, January 2017)
- *IDC MarketScape: Worldwide Digital Strategy Consulting Services for Digital Product Innovation 2016 Vendor Assessment* (IDC #US40634716, January 2017)

Synopsis

This IDC study uses the IDC MarketScape methodology to provide an assessment of 11 major providers of digital strategy consulting services worldwide. It bases this evaluation on a comprehensive framework and a set of parameters that assesses providers relative to one another and measures vendors according to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"Worldwide, digital strategy consulting demand continues to mature, with enterprises moving on from their initial focus on creating the capabilities for experimentation to happen to building the

enterprisewide structures and the culture to allow innovation to happen at scale – continuously and right across the organization," said Douglas Hayward, research director for Digital Strategy Consulting and Agency Services.

"Clients are generally satisfied with the digital strategy consulting services that they buy, but there are some areas where vendors should up their game. These include the transfer of vendor knowledge and skills to the client's employees, supporting capabilities in technology usage/implementation, and the delivery of value-creating innovation – as opposed to innovation for its own sake."

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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