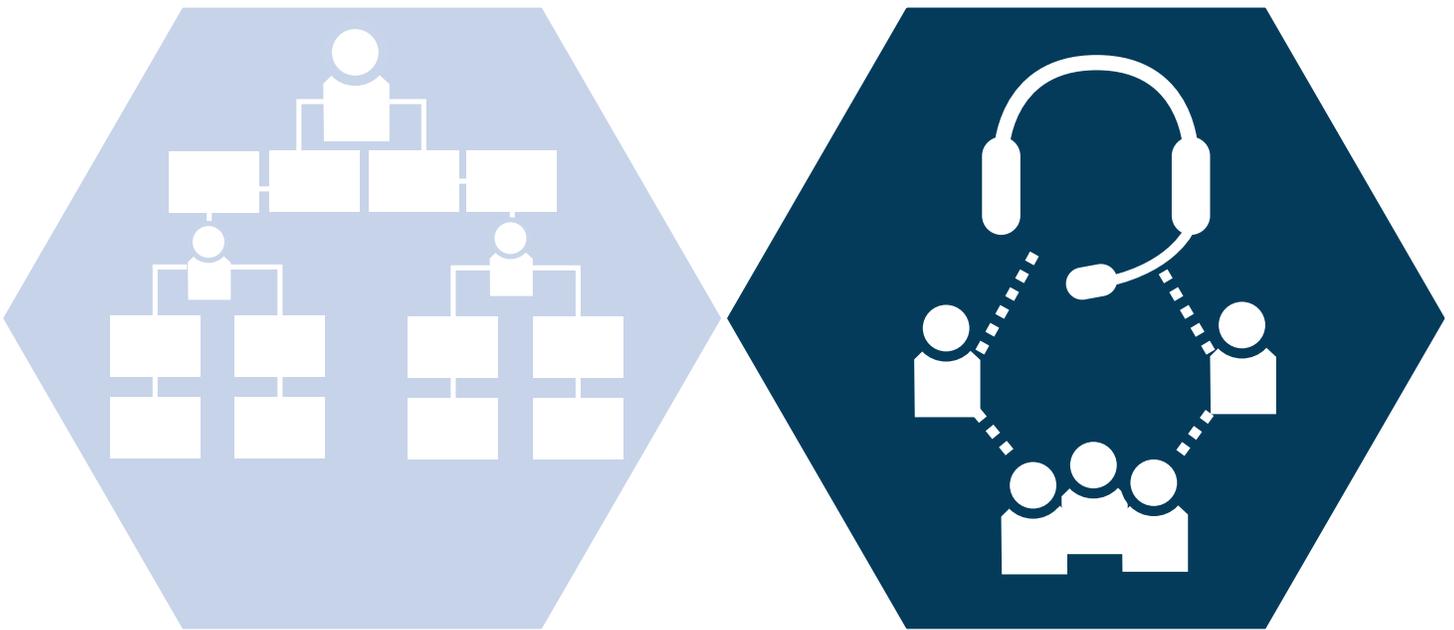


The *ALM Vanguard*: Corporate Services Consulting



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Author



Liz DeVito

Liz DeVito

Associate Director, Management Consulting Research

T +1 212-457-9170

edevito@alm.com

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www.alm.com/intelligence/industries-we-serve/consulting-industry/

Overview

Capability Drivers

The role and performance of corporate service operations (the back-office functions that support the front office and through which the corporate center directs the business) are increasingly considered in a variety of business contexts, not all of which are defined by the swing of economic cycles. Businesses are operating in a complex landscape of technologies, methodologies, and processes under regulatory and compliance pressures that mandate near continual improvement of corporate service capabilities. At the same time, CEOs, business unit leaders, and function leaders themselves are asking corporate services to deliver more value to the organization in line with how the company differentiates itself in the market. Over the past five to ten years, many organizations have matured their back-office operations in response to these demands and are now looking for the next horizon of improvement opportunities offered by intelligent automation, agile operating models, and new sourcing approaches.

Against this backdrop, providers are adapting services and methods honed across disciplines to the complex challenges posed by corporate service operations. The leading consultancies demonstrate an ability to coordinate the following capabilities.

Enable digital transformation. The digital opportunity remains an essential pillar of corporate strategy, although the path to success eludes many whose transformation projects have either fallen below expectations, delivered only minor improvements, or altogether failed because of a singular focus on technology. The rise of customer experience as the cornerstone of competitive advantage, however, has infused digital transformation with a business purpose for connecting the front, middle, and back offices. Clients are eager to transform workflows, integrate data, adopt cognitive technologies, and reskill back-office employees in service of the customer experience. Consulting leaders are enabling these ambitions with a holistic approach that hinges on understanding the symbiotic relationship between digital business models, operational efficiency and agility, and the customer experience. They are introducing frameworks and roadmaps that position the back office as both an incubator and engine of end-to-end processes and technologies for meeting customers' expectations and supporting management's ability to create the conditions and culture needed to enable the transition to a digitally mature organization.

Build next-generation operating models. Companies know they need to be more agile and responsive to changing market conditions. They want to deliver great customer experiences and take advantage of new technologies to cut costs, improve transparency, and build value. They know that if they want to design end-to-end processes and journeys, they need to commit to a next-generation operating model that looks across corporate functions and up the value chain to achieve step-change performance improvement. The consulting leaders are going to market with target operating models designed to enable integrated business services that transform how companies organize and deliver front-, middle-, and back-office services throughout the enterprise. At a tactical level, they are helping clients prepare for the transition by shifting from running uncoordinated efforts within siloes using disparate technologies to launching an integrated improvement program executed in phases. This approach enables end-to-end process views, a customer service focus, and clearly defined working relationships across corporate functions, business units, and regions.

Unlock hidden value. Companies that have made progress reducing costs within service functions and achieving scale and sourcing advantages are seeking new ways to instill ongoing productivity improvements. For many, the next step is

Overview

Capability Drivers

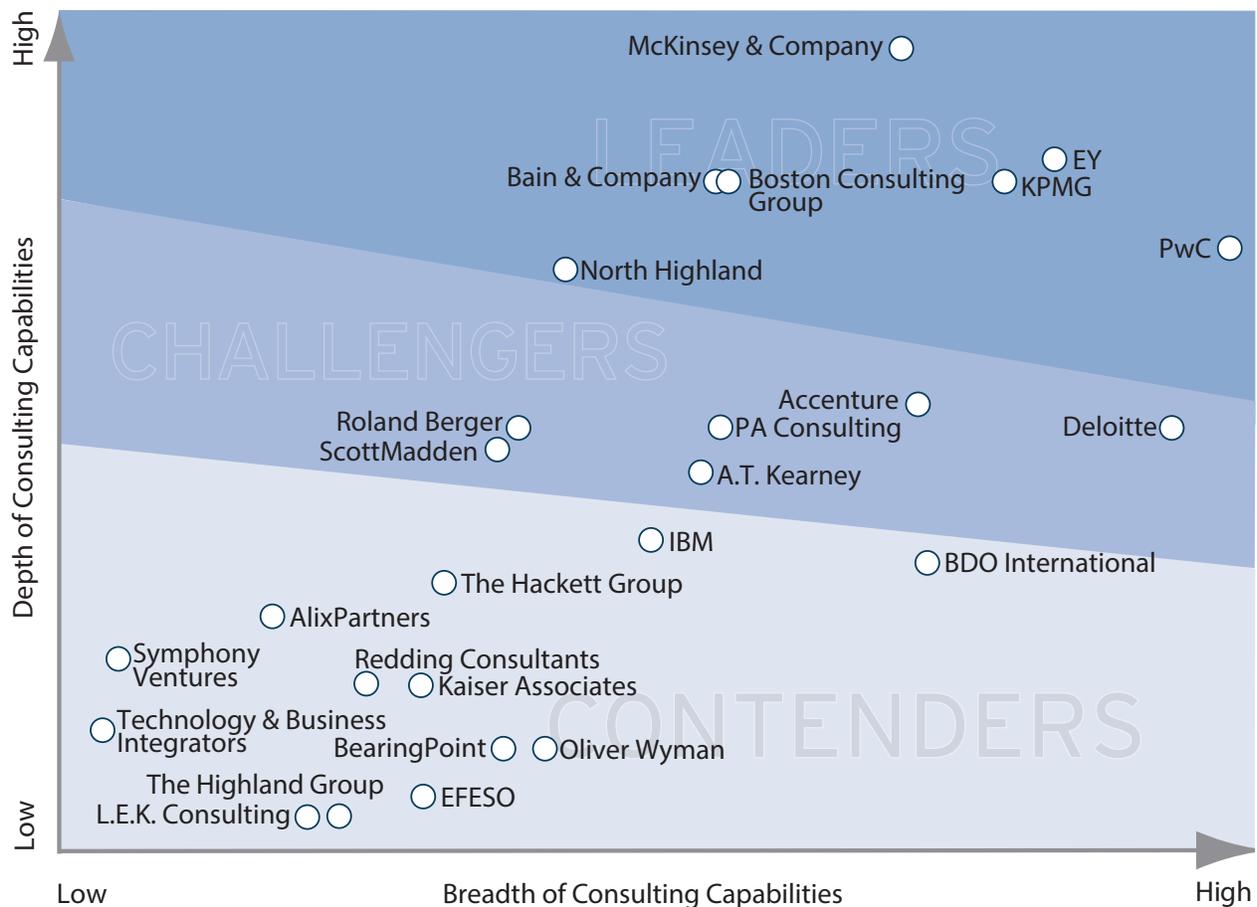
to look across functions for further opportunities to take costs out of the system and better connect service operations with strategy; however, they often lack the resources and stamina to effect the organizational change required to sustain the improvements. The consulting leaders are applying creative approaches to help clients overcome this challenge using organization design theory and zero-based budgeting techniques. These approaches help clients reframe cost reductions in two ways. First, as opportunities to reduce organizational and process complexity, and second, as a multiyear investment in building the capabilities and assets that deliver a sustained competitive advantage. These services are delivered through a highly collaborative relationship designed to change long-term behaviors and increase employee engagement in back-office services improvement.

Rethink sourcing strategies. The traditional business process outsourcing (BPO) arrangement is facing disruption from the impact of RPA technology and business process-as-a-service models. The combination of automation and process standardization is undermining the business case for outsourcing as digital solutions reduce the labor component of back office service operations. A hybrid model is still very much in play, where companies build up their own service centers and send transactional service operations to outsourcing providers. Consulting leaders are helping their clients establish these in-house facilities, leveraging technology to embed continuous improvement processes in service delivery. They are also assisting clients in the management of vested outsourcing relationships, in which both parties – the client and outsourcing provider – have a mutual interest in each other's success. These arrangements increasingly establish the ground rules for sharing expertise and aligning goals around co-innovation.

ALM Vanguard of Corporate Services Consulting Providers

The ALM Vanguard of Corporate Services Consulting Providers assesses firms in terms of their relative ability to create impact for their clients. For this, the ALM Vanguard displays the relative position of the providers featured in this report, deemed capable in corporate services consulting, based on an evaluation of their overall capabilities according to a consistent set of criteria. Capability depth denotes a provider's capacity to get results for clients, while capability breadth indicates its ability to deploy that capacity across multiple client scenarios.

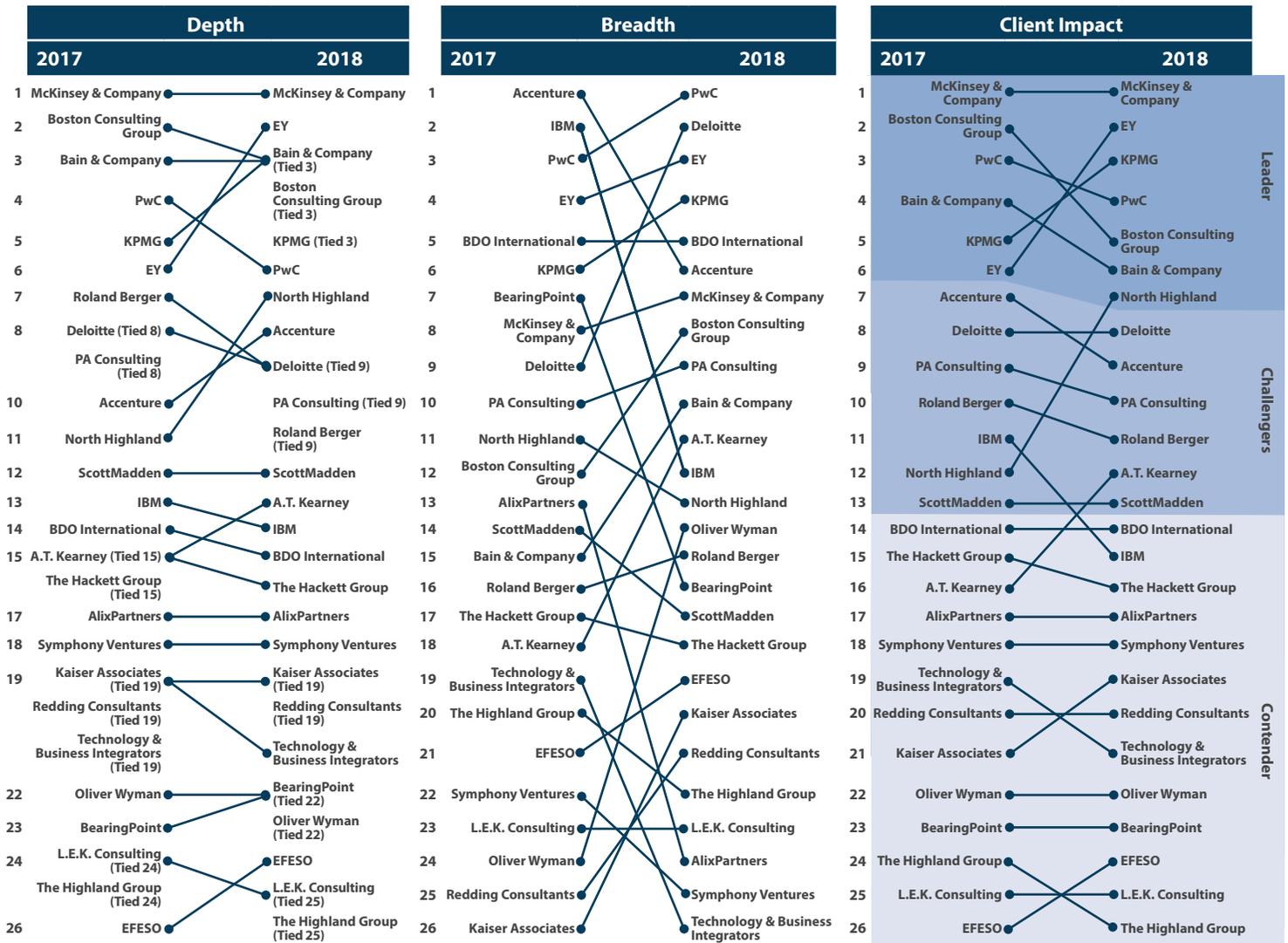
Consulting is distinctive from other industries because of the variety of client contexts that providers encounter in terms of ambitions, needs, and abilities that alter what it takes to create impact. As providers seek to deploy their capacity to create client impact (depth) across industry sectors, geographic regions, and interfaces with adjacent functional and technical capabilities (breadth), they increase the complexity of their engagement models. The downward slope of the lines that separate the tiers of the market captures the trade-off between low-complexity engagement models (designed to maximize the capacity to create impact for a narrow set of client applications) and high-complexity engagement models (made to maximize deployability and create impact for a wide variety of client applications).



Source: ALM Intelligence

Provider Capability Rankings

The figures below indicate the change in consulting providers' ranks in terms of their overall capability depth, breadth, and client impact. (See the Definitions section of this report for a detailed breakdown of underlying capabilities.) Ranking position number one denotes the top-ranked provider.



Source: ALM Intelligence

Rating Level Summaries

ALM Intelligence rates providers according to a three-level scale based on their relative breadth and depth of overall capabilities. Each rating level corresponds to an area in the *ALM Vanguard* graphic bounded by a downward sloping line designed to equate engagement models of different degrees of complexity.

Rating Level	Providers	Description
Leaders	Bain & Company Boston Consulting Group EY KPMG McKinsey & Company North Highland PwC	The leaders are at the top of the market in terms of their capabilities to create client impact through their depth of expertise and ability to deploy it across a range of engagement models. They are unique in their ability to independently execute a broad array of projects across the full spectrum of client contexts. They range from providers in the top quintile in terms of depth of capability for low-complexity engagement models to those that combine above average depth of capability with the ability to deploy it across high-complexity engagement models.
Challengers	A.T. Kearney Accenture Deloitte PA Consulting Roland Berger ScottMadden	The challengers can execute end-to-end projects in low complexity engagement models or a substantial portion of project components in high-complexity engagement models. They range from those with above-average depth of capability for low-complexity engagement models to those that combine depth of capability between the bottom third and top half of the distribution, with the ability to deploy it in high complexity engagement models.
Contenders	AlixPartners BDO International BearingPoint EFESO The Hackett Group The Highland Group IBM Kaiser Associates L.E.K. Consulting Oliver Wyman Redding Consultants Symphony Ventures Technology & Business Integrators	The contenders can execute a substantial portion of projects in low-complexity engagement models or a single phase or project instance in high-complexity engagement models. They range from those with average depth of capability for low-complexity engagement models to those that combine depth of capability in the bottom third of the distribution with the ability to deploy it in high-complexity engagement models.

Source: ALM Intelligence

Leader Assessments

The ALM Vanguard of Corporate Services Consulting Providers comprises the following Leaders.

“EY advances its leadership position following a year of continued investments in its Global Business Services capability and service delivery model, adding momentum to a core value proposition for leveraging the back office for enterprise digital transformation. Clients cite EY’s modular approach, depth of process, function, and sourcing expertise, and ability to integrate appropriate analytics into engagements as particular sources of strength.”

- Liz DeVito, Associate Director, Management Consulting Research, ALM Intelligence |

Provider Capability Ratings

The table below provides detailed capability ratings for corporate services consulting providers. (See the Definitions section of this report for explanations of the capabilities.) Legend: ● Very Strong ● Strong ● Moderate ● Weak ○ None

Provider Capabilities: Corporate Services Consulting									
	Discovery			Design			Delivery		
	Needs Assessment	External Market Insight	Internal Client Insight	Strategy	Operating System	Management System	Project Management	Client Capability Development	Enabling Tools
EY	●	●	●	●	●	●	●	●	●
A.T. Kearney	●	●	●	●	●	●	●	●	●
Accenture	●	●	●	●	●	●	●	●	●
AlixPartners	●	●	●	●	●	●	●	●	●
Bain & Company	●	●	●	●	●	●	●	●	●
BDO International	●	●	●	●	●	●	●	●	●
BearingPoint	●	●	●	●	●	●	●	●	●
Boston Consulting Group	●	●	●	●	●	●	●	●	●
Deloitte	●	●	●	●	●	●	●	●	●
EFESO	●	●	●	●	●	●	●	●	●
The Hackett Group	●	●	●	●	●	●	●	●	●
The Highland Group	●	●	●	●	●	●	●	●	●
IBM	●	●	●	●	●	●	●	●	●
Kaiser Associates	●	●	●	●	●	●	●	●	●
KPMG	●	●	●	●	●	●	●	●	●
L.E.K. Consulting	●	●	●	●	●	●	●	●	●
McKinsey & Company	●	●	●	●	●	●	●	●	●
North Highland	●	●	●	●	●	●	●	●	●
Oliver Wyman	●	●	●	●	●	●	●	●	●
PA Consulting	●	●	●	●	●	●	●	●	●
PwC	●	●	●	●	●	●	●	●	●
Redding Consultants	●	●	●	●	●	●	●	●	●
Roland Berger	●	●	●	●	●	●	●	●	●
ScottMadden	●	●	●	●	●	●	●	●	●
Symphony Ventures	●	●	●	●	●	●	●	●	●
Technology & Business Integrators	●	●	●	●	●	●	●	●	●

Source: ALM Intelligence

Best in Class Providers

Providers identified as best in class evidence deep capabilities in specific areas of corporate services consulting and stand out from their peers for their highly effective and often innovative consulting approaches and service delivery.

Capability Areas	Provider	Strengths
Management System/ Enabling Tools	EY	EY’s GBS Digital Command Center provides clients with a centralized approach to managing the continuous improvement of back office operations. The cloud-based solution helps a range of stakeholders understand process weaknesses, increase compliance and risk mitigation, update process documentation and training materials, monitor RPA tools, and generate business insights through enterprise KPI analysis and reporting.

Source: ALM Intelligence

Provider Briefs

Leaders

EY	
Approach	EY’s perspective is that the collective business support functions in an organization is uniquely positioned to serve as an enterprise transformation engine. With their ongoing commitment to improve process efficiency and reduce operating costs, these functions have proven to be successful early adopters of emerging technologies with many now operating as centers of excellence that can help the organization realize the true potential of intelligent automation. As such, EY seeks to help clients design and build a centralized corporate services environment that not only streamlines processes and optimizes cost structures, but also establishes an agile operating platform for service delivery that simultaneously drives a company’s digital transformation.
Practice Structure	The engine of EY’s service delivery is its Global Business Services (GBS) solution, which is part of the firm’s Advisory business. GBS engagements draw on the knowledge and resources across all services lines, including Assurance, Tax, and Transactions, as well as the full scope of management consulting services offered by Advisory, including strategy, performance improvement, risk, customer, cybersecurity, big data and analytics, and emerging technology. GBS also leverages the expertise of the firm’s industry and functional consulting practices, as GBS’ go-to-market strategy is sector-led and issues-focused.
Service Delivery Model	EY GBS offers a modular approach to corporate services consulting that enables consistent service delivery at any stage of the client’s journey, yet is nonetheless holistic in its consideration of all dimensions of corporate services strategy, operations (including shared services and outsourcing), controls, and measures. The multidisciplinary offering integrates knowledge of legal, tax, and risk, and is delivered by a dedicated global network of corporate services professionals with practical experience in the firm’s program and change management methodologies. GBS methodologies use agile and design thinking principles that, for example, help clients develop solutions in iterations using future-focused customer and employee personas. EY has developed a substantial repository of enabling tools and templates that both accelerate project pace and build clients’ internal capabilities. For example, to help clients estimate the level of effort, investment, and efficiency gains of a particular project, EY offers GBS Feasibility in a Day, a live business case simulation tool that can be used on an iPad or in the firm’s dedicated GBS Showcase @ CFO Space in Frankfurt, part of the firm’s global Wavespace network. GBS engagements typically begin with a benchmarking exercise using EY Process Depot, a cloud-based platform housing sector-specific best practices, the EY Maturity Evaluator, external benchmark data, and other assets. With this information, EY defines an end-to-end process target state that incorporates a strong continuous improvement dimension to ensure the process state evolves with the business. For all GBS engagements, EY helps clients establish a performance management framework that formalizes governance, measurement, and reporting activities. The GBS Digital Command Center provides visibility into service performance through individual modules for service management, internal audit and risk management, RPA monitoring, process documentation, process mining, and business insights. The GBS offering integrates emerging technologies for solutions design, as well as to support specific activities, such as risk management, data capture from multiple transactional data source systems, and continuous improvement. GBS publishes articles and case studies, conducts research with academic institutions, and offers client exchange and innovation events, including GBS Learn from the Best, an exchange that enables clients to access the knowledge and experience of Procter & Gamble, considered one of the world’s leading GBS organizations.

Source: ALM Intelligence

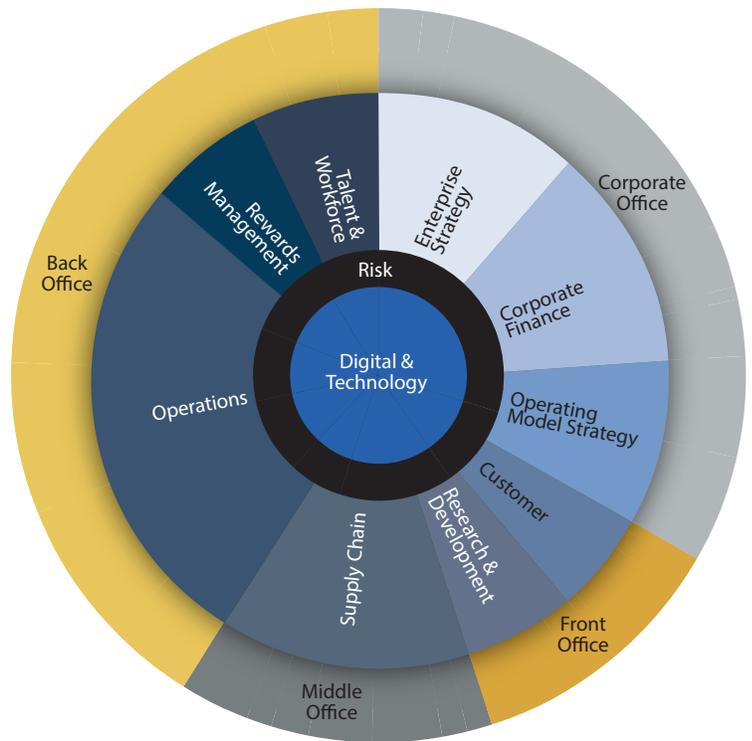
Definitions

What is Corporate Services Consulting?

Corporate Services consulting forms part of ALM’s series on Operating Model Strategy Consulting, which encompasses services targeted at helping companies improve their abilities to mobilize their resources to execute their strategies.

Operating model strategy consulting includes two services.

- Organization: addresses the arrangement and interaction of a company’s human resources through the “hardware” of the location of organizational resources, lines of authority, and the spans and layers of P&L control, as well as the “software” of management processes through which resources interact to perform activities.
- Corporate services: addresses the functions that support a company’s human resources, including those in the corporate center, shared services centers, outsourced services, and separate functional organizations.



Source: ALM Intelligence

Definitions

Consulting Provider Capabilities

Capability Areas	Capabilities	Descriptions
Discovery	Needs Assessment	Establishing goals and objectives for the project and determining which stakeholders need to be involved from the client organization, consulting firm, and third parties
	External Market Insight	Using knowledge and experience to create hypotheses through trend analysis, benchmarking, maturity assessments, and case studies
	Internal Client Insight	Obtaining internal client insights through assessments, data analyses, interviews, and workshops, and incorporating findings in the business case and roadmap design
Design	Strategy	Aligning the strategy with the goals of the client’s talent and business strategies
	Operating System	Configuring client resources – information, technology, talent and other assets – to generate the value-add intended by the strategy
	Management System	Mobilizing, managing, measuring, and motivating client resources to execute the strategy through governance, organizational structures, and performance management
Delivery	Project Management	Allocating, aligning, and coordinating resources in sequenced activities to execute and sustain the strategy
	Client Capability Development	Developing the client’s technical skills and adapting mindsets and behaviors to execute and sustain the strategy and process design
	Enabling Tools	Employing tools for diagnostic and design activities that support creating, executing, and sustaining the strategy

Source: ALM Intelligence

Provider Capability Rankings Descriptions

Depth: a measurement of a consulting provider’s strength based on its capabilities, including such factors as resources, proprietary methodologies, and intellectual properties

Breadth: a consulting provider’s ability to deploy its capabilities in multiple client scenarios across industry sectors, geographic regions, and interfaces with adjacent functional and technical capabilities

Client impact: a consulting provider’s capacity to get results for clients based on the combination of its capability depth and breadth adjusted by the degree of engagement model complexity incurred by its breadth across industry sectors, geographic regions, and interfaces with adjacent functional and technical capabilities

Methodology

Overview

ALM Intelligence has been researching the management, financial, and IT consulting industry for over 40 years, studying the global consulting marketplace at multiple levels. The resulting market analyses help buyers of consulting services to effectively target best in class providers, and help consulting providers to identify and evaluate business opportunities.

The proprietary research methodology comprises four components:

- Extensive interviews with consulting practice leaders, financial analysts, consulting clients, and clientside industry experts
- Data and background material from the proprietary library of research on the consulting industry and individual firms
- Quantitative data collection from primary and secondary sources
- Key economic data relevant to the sector(s) being analyzed

The research output for a project is derived predominantly from primary research.

Data is obtained through a centralized effort, with teams of analysts collecting, assessing, fact-checking, and refreshing baseline information on leading consultancies and consulting markets. This information populates an extensive knowledge base of consulting providers, widely regarded as among the most comprehensive in the world.

Working collaboratively, analysts narrow their research to the most discrete and pertinent intersection of consulting service/industry/geography.

The experience and knowledge of the analyst team are critical to the success of these research endeavors. Directors and associate directors average over a decade of consulting and/or analyst experience, with an emphasis on professional services. Junior analysts typically bring an average of five years of consulting and/or analyst experience.

The group's long-term relationships with consulting clients and industry leaders are based on trust and respect. ALM Intelligence's fundamental goal is to deliver objective assessments and insightful viewpoints on the management, financial, and IT consulting market.

Methodology

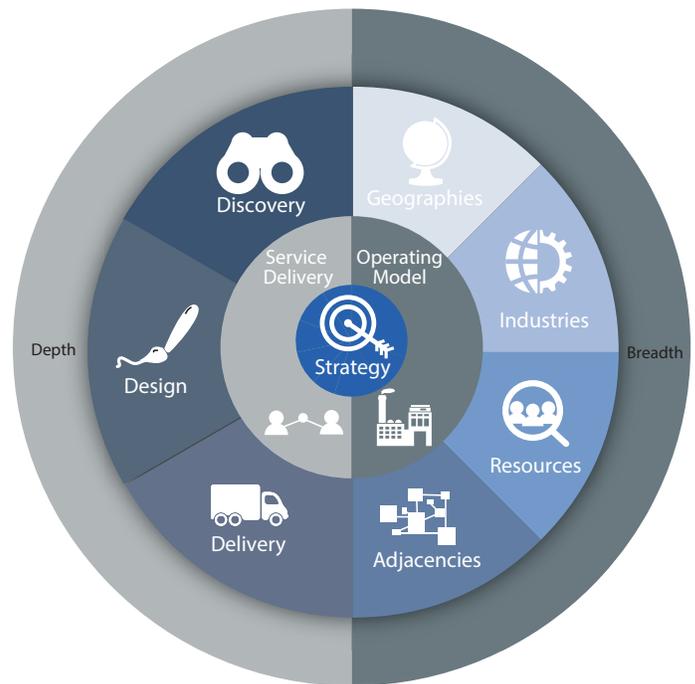
How We Evaluate Consulting Providers

ALM Intelligence's goal is to deliver objective assessments to help buyers of consulting services effectively identify and maximize the benefits of working with best in class providers.

ALM Intelligence evaluates consulting providers with respect to a particular consulting area in terms of the following baseline criteria. The general criteria below are refined and customized over the course of the research effort based on input from clients and providers:

- **Consulting approach:** What are providers' points of view on the root causes of client challenges? How do those points of view inform choices about how best to resolve them? How do providers view the intersection of these needs and solutions with other consulting or non-consulting offerings or cross-cutting themes?
- **Consulting organization:** How do providers organize and deploy their capabilities? What sort of consultants and other human resources do they possess, and how do they obtain and use them? What sorts of partnerships, collaborations, and alliances with external parties do they use to bolster their capabilities?
- **Consulting service delivery model:** How do providers deliver their services? Do they employ any particular processes or methodologies, preconfigured tools, or other unique elements of service delivery? Do they follow any particular sequence or direction in their service delivery? How do they measure outcomes?
- **Client pain points and needs assessments:** What factors most influence successful engagements in the opinion of clients? What capabilities do providers need to bring to their engagements to be compelling? What sources of differentiation matter most to consulting buyers?
- **Future development:** What investments are providers making or planning to make to enhance their future capabilities?

In addition to briefings with consulting buyers and providers, ALM Intelligence uses a mosaic approach to derive its findings. This incorporates primary research conducted with industry practitioners, academics, and other experts and secondary research on providers' public information and other third-party sources of data and analysis.



Source: ALM Intelligence

About ALM Intelligence

ALM Intelligence provides accurate and reliable market sizing and forecasts on consulting services worldwide, needs-analysis and vendor profiling for buyers of consulting services, timely and insightful intelligence on the top consulting firms in their respective markets, and operational benchmarks that measure consulting performance. ALM Intelligence's research spans multiple service areas, client vertical industries, and geographies. Our analysts provide expert commentary at consulting industry events worldwide, and offer custom research for Management Consulting and IT Services firms. More information about ALM Intelligence is available at www.alm.com/intelligence/industries-we-serve/consulting-industry/.

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