IDC MARKETSCAPE


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THIS IDC MARKETSCAPE EXCERPT FEATURES EY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Supply Chain Management Business Consulting Services Vendor Assessment

Source: IDC, 2014
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 Supply Chain Management Business Consulting Services 2014 Vendor Assessment (Doc #250614). 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 IDC 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 success in the marketplace and help anticipate the vendor’s ascendancy. This study assesses the capability and business strategy of many of the leading business consulting firms. This evaluation is based on a comprehensive framework and set of parameters expected to be most conducive to success in providing business consulting services during both the short term and the long term. A significant and unique component of this evaluation is the inclusion of business consulting buyers' perception of both the key characteristics and the capabilities of these consulting providers. As one would expect of market leaders, overall, these firms performed very well on this assessment. The supply chain consulting space is in importance to end-user companies. Consequently, companies are increasingly willing to engage with external partners both at a strategic and at a tactical level. Leading services firms must be adept at consulting related to supply chain network redesign, planning and forecasting best practice, or fulfillment excellence, and so forth. In addition, consulting firms will increasingly be asked to provide both strategic and tactical outsourcing services of various areas of supply chain management (SCM). While historically, different firms have offered different levels of competence in these services, the best companies today are strong in both supply chain outsourcing and consulting services. Key findings include:

- There are many high-quality consultants who work to improve the supply chain management (SCM) function and who have deep domain expertise.
- Generally, consulting firms could do a better job at integrating analytics into the SCM consulting engagements.
- The firms are generally strong at removing cost and improving operating efficiency in SCM engagements.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA
This research includes analysis of the five largest business consulting firms and additional firms with broad portfolios spanning IDC’s research coverage and with global scale. This assessment is designed to evaluate the characteristics of each firm – as opposed to its size or the breadth of its services. It is conceivable, and in fact the case, that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the firms to
consider for a particular project. An enterprise’s specific objectives and requirements will play a significant role in determining which firm should be considered as potential candidates for an engagement.

**ESSENTIAL BUYER GUIDANCE**

Business requirements demand solutions that work holistically within an enterprise. These solutions are often complex and require multiple domains of expertise and stakeholders from a variety of areas to ensure success. As a result, consulting projects are often complex. To maximize value and minimize disruption, enterprise leaders must:

- Assure project is strategically valuable (be sure of full organizational commitment).
- Create visible links between project strategy and "business execution."
- Integrate all impacted LOBs throughout the project to ensure stakeholder needs are fully satisfied.
- Anticipate and address the common obstacles to successful consulting projects, including:
  - Avoid scope creep.
  - Plan for sufficient organizational change.
  - Commit sufficient internal resources to the project.

Specifically for supply chain consulting, leading consulting providers must be able to demonstrate both depth and breadth in domain knowledge, with attenuation of this knowledge across differing industry or subindustry areas of focus. Industries where supply-side challenges predominate will look for a different focus (e.g., on supplier relationships) than will those industries where demand-side challenges are most problematic. For the end user considering the use of a consulting partner, the due diligence process must include domain expertise evaluation along with applicability within your particular market and issue.

**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 criterion outlined in the Appendix, the description here provides a summary of each vendor’s strengths and challenges.

**EY**

According to IDC analysis and buyer perception, EY is an IDC MarketScape Leader worldwide in supply chain management consulting.

EY is a partnership with 175,000 professionals as of June 2013 across 150 countries globally. EY’s core business consulting services sit within EY’s advisory organization and include service lines of risk and IT risk advisory as well as performance improvement (PI). This includes Finance, Supply Chain,
Customer, People and Organizational Change, Strategy, and Program Management, all enabled by EY's IT Advisory practice. EY also offers business consulting services beyond its advisory organization. These services include post-transaction integration services (transactions), tax-effective process advisory (e.g., supply chain and human capital) (tax), fraud investigation and disputes management (assurance), climate change and sustainability, and financial accounting advisory services (assurance). EY is well recognized for these capabilities in assurance, tax, and transactions, which sit outside of its advisory organization.

EY is focused on growth in its business performance improvement and risk practices and is making a particularly strong push in supply chain consulting. EY has one of the largest SCM consulting practices globally and works with companies to help transform their supply chains and operations to deliver both a competitive advantage and superior, sustainable financial results. EY's SCM practice is organized around deep industry expertise and focuses on bringing industry-specific operational insight from strategy to execution, including leveraging the latest SCM analytics and technologies. In seeking to drive greater supply chain innovation around operational excellence, EY has been instrumental in establishing alliances with organizations that are world leaders in specific operational areas or technologies.

EY has a globally integrated practice that serves large global companies as well as medium-sized global, regional, and national organizations and strategic growth companies. EY relies on its extensive business network to leverage long-term relationships with CXOs. This approach is aimed at maintaining EY's objectivity in the advice the company gives to clients. EY maintains strong relationships with and expertise in leading technology vendors and their products to ensure the company's professionals have the highest levels of technical expertise.

EY's global organization has helped the firm deliver on engagements with clients around the world. EY has integrated its organization to form single management units in its Americas, EMEIA, and Asia/Pacific regions. EY has been investing in emerging markets and has built dominant practices in a number of geographies. Overall, EY is one of the fastest-growing business consulting companies, with many countries presenting double-digit growth. The firm has also centralized its brand, marketing, and communications to drive greater focus.

EY has continued to invest heavily in building its capabilities through bringing in groups of partners and other senior professionals from other consulting firms. This has been particularly significant in its performance improvement business, which has increased its staff numbers by over 40% without any large acquisitions. In addition to growing organically, EY has continued to acquire companies to strengthen its offerings. Over the past 12 months, these acquisitions included JM Management Consulting – supply chain (February 2013), Greenwich Consulting – customer (September 2013), KPMG Denmark (November 2013), Bedrock Consulting – strategy (February 2014), LogiStar Solutions - supply chain (April 2014), and Five Point Partners (June 2014). Through its Global Enablement Center, EY supports and leads global research and innovation initiatives. EY also develops and delivers methodology enhancements and extensions to its core methodology, as well as enhancements in its process and risk models. Four recent enablement center offering developments are enterprise intelligence, risk transformation, cost of controls, and finance transformation.

EY has also established centers of excellence in its regions around specific services. For example, in EMEIA, there are supply chain, customer, finance transformation, risk transformation, IT transformation, information security, analytics, and outsourcing advisory centers of excellence. EY has
also developed strong collaborative relationships with leading research/academic institutions, including the Risk Innovation Board, Tapestry Networks, and Innovation Value Institute.

EY’s service lines are integrated in front of the client through the role of the client service partner (CSP), a dedicated relationship management role. The relationship role of the CSP helps bring together services from across the whole firm. EY does bring together such integrated services that pull from across all of its services.

EY delivers through sectors and is deeply investing into sector-specific process and risk models (which include benchmarks from external sources like APQC and EY’s own metrics) to deliver sector-specific value propositions. Industry service development itself comes through EY’s 14 global industry centers of excellence. EY also has a large global talent hub based primarily in India, with additional regional resources in China, the Philippines, and Eastern Europe. EY leverages these resources in support of global projects from a talent basis as well as a cost basis.

Overall, EY is well regarded worldwide by clients for providing "excellent services."

**Strengths**

Worldwide, EY is seen as among the most capable of all firms at delivering value-creating innovation.

In SCM consulting, EY is regarded as one of the most capable firms at helping clients expand their supply chain into new geographies, reduce supply chain costs, and improve supply chain efficiency. EY is also described as among the best when it comes to delivering value-creating innovation, maximizing the value of the project, and supporting business change across the organization.

Clients consider EY to be better than many of its peers at helping them manage supply chain risk, transform supply chain processes, and comply with supply chain regulations. EY is additionally perceived as better at helping enterprises drive supply chain innovation through the organization, create a more effective supply chain, and leverage supply chain talent.

EY is further regarded as better than many of its peers in the areas of challenging corporate culture, directly improving the client’s overall commercial performance, and meeting project timelines.

**Challenges**

Conversely, EY is perceived as somewhat less capable than its peers at providing functional or technical insights and competence and at offering the necessary spectrum of business consulting services.
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, or the capabilities 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 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 the strategies axis, indicates how well the vendor’s future strategy aligns with what customers will require in the next 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 represent 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 a review board 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.

Note: All numbers in this document may not be exact due to rounding.

Priorities and Focus for Supply Chains

Supply chains are complex and varied and have historically been managed for cost efficiency. While cost remains a key area of focus for manufacturers and retailers, and one where consulting companies have been and will continue to be valuable partners, the “bar has been raised,” and supply chains are now key contributors to the achievement of overall business results.

Over the past few years, IDC Manufacturing Insights has observed that supply chain organizations must identify one core principle, a “first” principle if you will, that defines their core value proposition in the markets they serve – and that it does not have to be just "cost." In a recent supply chain-specific survey conducted by IDC, the respondents indicate that they consider their first principle to be stewards of product quality more frequently than either cost or service (see Figure 2).
Market Definition

Business consulting involves advisory and implementation services related to management issues. It often includes defining an organization’s strategy and goals and designing and implementing the structures and processes that help the organization reach its goals. Business consulting includes three main areas: strategy consulting, operational improvement consulting, and change and organization consulting. The market is primarily served by four firm types:

- **"Big Four"**: IDC recognizes the well-known Big Four firms as the four largest international accountancy and professional services firms – Deloitte, EY, KPMG, and PricewaterhouseCoopers (PwC).

- **Multidisciplinary**: IDC describes multidisciplinary firms as large, diversified consulting organizations that offer a range of business consulting services to clients across a myriad of sectors. To distinguish these from other specialty firms, services must address more than two business functional areas, in addition to providing strategy and operational implementations.

- **Technology led**: These are large, multifaceted firms and are known for deep expertise in both technology and business consulting. IDC identifies these firms as those that expanded from information technology (IT)-centric business into more broad business consulting or vice versa.

- **Specialty**: Specialty firms have focused areas of consulting expertise in specific industries, functional areas, or technologies. Management and strategic consulting specialists that offer primarily strategy consulting and business intelligence (BI) models to specific sectors or industries including government fit into this category of firms.

Definition of Supply Chain Management Consulting

Supply chain management consulting is the component of operations consulting that helps organizations define the scope, configuration, and process details and optimize performance attributes of a supply chain, including supply network design, supply chain planning (including integrated business planning), and supply chain execution and fulfillment.

Strategies and Capabilities Criteria

The importance of a firm's characteristics to project success and relevance of the particular issue combined with IDC's opinion about the impact those elements have on selection of firms implies a unique weighting of these elements when evaluating a firm's overall strategy and capability to address market opportunity and realizing market success (see Tables 2 and 3).

LEARN MORE

Related Research

- *Business Strategy: 2104 Manufacturing Supply Chain Survey Results and Implications for the Industry* (IDC Manufacturing Insights #MI250183, August 2014)
Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of providers participating in the worldwide supply chain management business consulting services market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"The use of consulting providers is critical to the successful supply chain transformation that we see in the marketplace, but there are as many examples of poor engagements as there are examples of good ones. While the reasons for success or failure can be varied (including dissatisfaction with the consulting provider’s ability to deliver on value-creating innovation or to provide industry insights), and failures are not always laid at the feet of the consulting partner, the reality is that the consultant is expected to bring the necessary skills and experience to ensure that projects are successful. Based on the research contained in this document, we find that some consulting vendors are better able to produce meaningful results than others" – Cushing Anderson, vice president, Business Consulting Services, and Simon Ellis, practice director, Supply Chain Strategies
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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