

IDC MarketScape: Worldwide Employee Experience Consulting Services 2024 Vendor Assessment

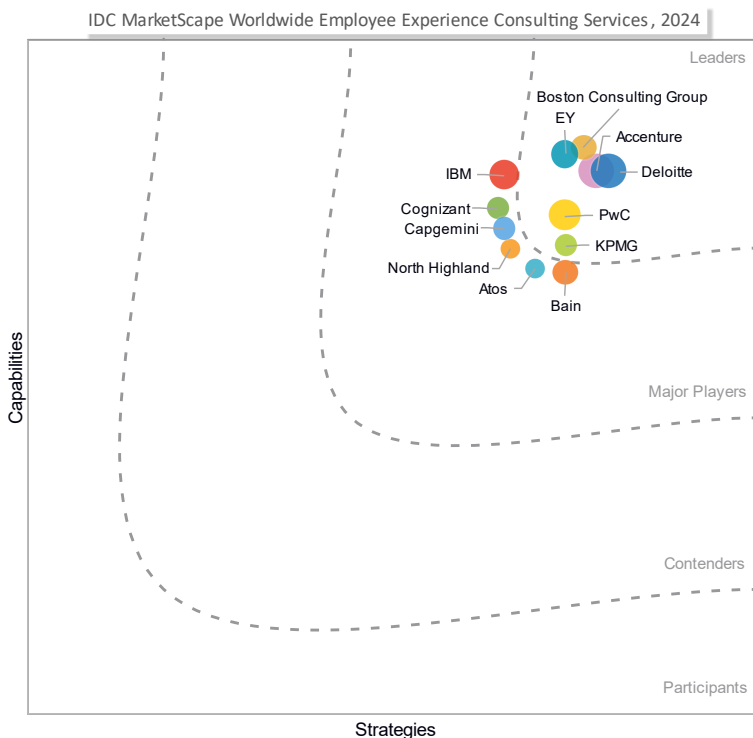
Zachary Chertok

THIS IDC MARKETSCAPE EXCERPT FEATURES EY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Employee Experience Consulting Services Vendor Assessment



Source: IDC, 2024

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 Employee Experience Consulting Services 2024 Vendor Assessment (Doc # US52582724). 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 a vendor assessment called an IDC MarketScape. IDC MarketScapes are quantitative and qualitative assessments of the characteristics that explain a provider's current success and future potential in the marketplace for the scope of services under evaluation. This IDC study is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing employee experience (EX) transformation services during the short term and long term. A significant component of the evaluation for this 2024 IDC MarketScape for worldwide employee experience consulting services is the inclusion of EX consulting buyer's perceptions of the key characteristics and capabilities of the participating service providers extracted directly from client interviews facilitated upon submission of reference clients by the participating service providers.

This 2024 IDC MarketScape for worldwide employee experience consulting services assesses provider performance delivered globally by EX transformation consulting service providers. Overall, participating firms performed well within the assessment criteria, with the overall progress in innovation across the EX transformation services market advancing significantly since the last assessment coverage in 2022. Key findings include:

- Digital developments have advanced client perceptions around the ability for EX consulting teams to meld with internal management groups and stakeholders to quickly ramp-up a flow of change guidance and transformation. Buyers generally feel that the days of lengthy discovery phases that rely on static snapshots of their current business state are behind them as their consulting partners work faster and stealthier to embed within the current, dynamic state of the organization. A key aspect of success in early partnerships is that more consulting firms are bringing their own digital engagement platforms to client partnerships that deploy employee listening tools and analytics as well as transformation modeling and value assessment tools to structure accountability, adoption, and engagement across the tenure of the client transformation.

- Buyers noted that the average nature of cost, quote, and billing structures are changing to reflect outcomes-oriented estimates and defined invoice elements that clearly outline asset options for engagement with more costs known up front. The rise of digital-hybrid engagements that bring technology, analytics, and consultants to the table with clients is also leaving clients with options for continued digital resource use cases beyond the scope and timeline for the consulting engagement. Service firm digital technologies are growing in scale, sophistication, and capabilities while bringing digital partners directly to the table during client engagements rather than as a recommendation for continued advancement once the engagement is complete. The change in scope and ability of partnerships in transformation is improving client satisfaction and cost transparency.
- The average EX transformation services model is shifting to present clients with an integrated scope unique to their engagements without distinct billing or scope separation for the inclusion of multiple practice segments within the partner firm. Integrating internal resources in support of client engagements succeeds more to win over client satisfaction than continued depth of development within practice engagement silos made aware to the client. While overall demand for cost transparency is rising, buyers expect simplicity within their statements of work (SOWs) that align their SOWs to the scope of work rather than the scope of services rendered.
- The average scope of EX transformation is expanding, with buyers seeking more to be included in the transformation effort than corporate culture management, HR services alignment, talent management practices, and employee listening. Rising complexity in client engagements is tying in shifts to skill-based organizations, the development of frameworks to embed employee listening data into operational design frameworks, the establishment of a foundation for data unity enablement within HR and out to the broader organization, and a deeper revamp of leadership culture to support asset sharing, co-modeling across the business, and aligned decision-making.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This 2024 IDC MarketScape for worldwide employee experience consulting services includes analysis of 12 business consulting services organizations with the largest exclusive practices covering EX transformation as referenced from IDC's Services Tracker. The definition of EX consulting services is referenced from *IDC Market Glance: Employee Experience, 2Q24* (IDC #US52313024, June 2024) with defined practice submarkets identified within IDC's services taxonomy. The collective criteria were used to clearly define the scope of this IDC MarketScape evaluation tailored to reflect core aspects of EX transformation as well as the likely aspects of business, operations,

talent, and HR transformation to tie into EX transformation based on the most common model taxonomies provided by the field of popular consultancies.

Selection for participation focused on the practices based on revenue, scale, and digital-hybrid investment with additional thresholds for revenue and market reach into serving enterprise and small and medium-sized businesses (SMBs). In balancing scope of services with revenue, scale, and application across market segments, IDC can account for consultancies with broad service offerings, integrated service programs within and across applicable practices to EX transformation, and specialists serving specific components within the scope of EX transformation.

IDC measured participating providers based on its own definition of what EX transformation services include. For more detailed information on our definition of what constitutes business consulting services see *IDC Market Glance: Employee Experience, 2Q24* (IDC #US52313024, June 2024) and *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2023: Human Capital Management* (IDC #US51220923, November 2023). For more information on what is included in EX transformation, see Market Definition in the Appendix.

ADVICE FOR TECHNOLOGY BUYERS

Use this 2024 IDC MarketScape for worldwide employee experience consulting services as one tool in the qualification and selection of potential EX transformation service providers. While all firms have capabilities to help drive changes to the business across multiple domains, make the choice about which, if any, of these activities can be led by the provider and which needs to be driven by organizational insiders.

This IDC MarketScape differs from traditional core vendor and provider assessments in that it provides a list of scoped transformation services partners that is organized, segmented, and plotted around the unique points of entry that the partner typically supports. Each cluster of providers appearing in the assessment represents a unique means of client engagement:

- **Data enablers** uniquely partner with clients at almost any level within the business. The earliest component of their engagement model assesses the data-tracked state of the problem for which they are asked to support and solve with the client. Embedding within the company's operational and workforce data models allows data enablers to scope and scale EX transformation from any corner of the business and from any starting point within the overall solution scope.
- **Strategy enablers** partner with the highest-level stakeholders, commissioning and/or driving and impacting the change and transformation effort. While most

strategy enablers are given the client's scope of the immediate problem, they quickly embed within the client's decision layer to identify gaps in planning, execution, and engagement before recommending strategy changes for communications, resource management, organization design, and engagement modeling.

- **Operational enablers** embed within the business execution layer of the organization to seamlessly evaluate the state of business operations as a part of the front-office teams. Operational enablers assess the state-of-business execution metrics and work out where disconnects in decision-making, workforce allocations, resourcing, and the operational model need to be corrected to realize targeted business opportunities.

In referencing this IDC study, it is important to connect the profile descriptions of each provider to their placement in the graphic (refer back to Figure 1). Connecting the profile to the provider's position helps source the ideal provider within the filtered engagement and partnership style that is right for the business based on leadership culture, the scope of the problem, and where EX transformation best originates. If consumed properly, the Leaders category will not be an arbitrary filter for what is "best" for every buyer. Determine which areas are important, and make sure to directly investigate each relevant area to understand the strategies and capabilities of each potential business consulting services provider.

When reviewing the provider definitions provided in the section that follows, first consider the business' EX transformation goals, where they originate, and their order of priority. IDC's recommendation is to consider creating a quick and simple case study of the current state against future goals that will be shared with the potential provider partner. The concept for a case study proposal tool will help maintain a "center" when providers position their capabilities.

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.

EY

After a thorough evaluation of EY's strategy and capabilities, IDC has positioned the company in the Leaders category within this 2024 IDC MarketScape for worldwide employee experience consulting services.

EY's organizational design approach takes an employee experience perspective first, putting humans at the center of organizational design. EY's methodology is built from a core recognition that aligning the workforce with and within the design and execution of business objectives and key results unlocks the organization's ability to design, pivot, and reconstruct itself around any change factors it embraces or faces. As EY's consultants partner with change stakeholders in HR, management, and the executive back office, they lean into the voice of the employee using EY's digital solutions platform to integrate the realities of the front office with the design of strategies and goals in the back office. In the process, EY helps guide clients into dynamic execution and transitioning frameworks — including for the introduction, use, and adoption of personalization frameworks, skills adoption, AI, and GenAI — by pacing change and business adaptation to the pace of workforce readiness across layered degrees of impact within the client organization.

EY's EX guidance supports each of its four pillars of client guidance — assurance, consulting, strategy, and tax. EY's approach to humans at the center of everything guides its services design to better support clients with an approach to business transformation, dynamic resource management, and adaptable achievement that incorporates the needs and realities of the front-office workforce. EY's client approach begins with a foundation of data discovery, leveraging EY's native digital resource and discovery platform in conjunction with client digital tools to uncover and validate gaps in the flow of business execution. EY's recent investment in the development of new U.S. compensation capabilities has more deeply connected tax into the humans-at-the-center approach. At the core of EY's digital innovation strategy is the integration of insights from employees, managers, and stakeholders along with the understanding of the actual impact on the workplace. EY's approach drives to the creation of data-driven behavior models that inform the design of change initiatives tailored to the practical realities of operational and administrative work settings.

Early and dynamic data discovery helps EY consultants mesh into the client's flow of business from the start, allowing them to align seamlessly with transformational stakeholders as an extension of their teams. The infusion of digital tools, resources, and client systems connectors reduces the client burden and cost for consultant discovery, removes the need to pull change stakeholders out of the business to extensively brief incoming consulting teams, and more speedily and accurately aligns EY's change agents to the client's evolving needs and realities across its engagements. EY's digital delivery also provides a solutioning platform to clients to maintain analysis, awareness, and transparency throughout change design and implementation for where modeled objectives need to be adjusted. In provisioning deeper engagement transparency and impact analytics, EY supports faster and more incremental adjustments with fewer redesign efforts in partnership with the client on the change journey. At the end of client engagements, stakeholders are left with a host of

resources to ensure that the solutions that EY delivers continue to deliver value even after EY has stepped back. EY's platform and guidance provide a continuous client experience, while EY's project books and training manuals codify the experience into resources for future repeatability. At every step of engagement, EY's digital analytical guidance and data discovery are built into the client's native and/or redesigned technology stacks to ensure seamless access to insights and complete training for continued use of the resources once EY's engagement is complete.

Strengths

As a strategy enabler, EY blurs the lines between strategy, operational, and data guidance. While EY partners at the executive stakeholder level, the firm's native, digital discovery supports dynamic alignment with clients in the flow of their current business execution. Dynamic alignment allows EY to assess and embed within the client organization faster as business happens. Dynamic alignment reduces time spent in discovery while setting up EY to engage more like an operational enabler that breaks down the scope of strategy and operational design transformation into stages that can adjust to reflect changing factors inside and outside the client organization. EY's digital platform goes further to objectively track stage progress around workforce impact, adoption, and engagement as well as value delivery toward agreed-upon goals and objectives. EY's clients achieve speedy ramp-ups into change orchestration, engagement flexibility delivered within strategy guidance, and digitally managed accountability backed by future-state modeling capabilities. EY's ability to offboard its digital environment to the client supports self-managed transformation repeatability elsewhere in the company.

Challenges

EY's transition to an outcomes-based model enabled, navigated, and managed through digital engagement requires clients to commit to a digital-hybrid model for partnership. While EY's humans@center approach is flexible, agile, and dynamic, clients that are less digitally native may face hurdles and added dependence on EY consultants to guide them through standing up the engagement before change discovery, guidance, scoping, and actioning begin. While EY's approach increases the company's flexibility as a strategy enabler, clients may also lean more into EY's platform guidance with consultants as an actioning enabler rather than the platform always supporting consultative leads. Overall, the digital-hybrid approach allows EY to support client autonomy for continued transformation expansion beyond the scope of the initial engagement, but clients may perceive themselves at times as engaging more of a digital services provider.

Consider EY When

As a strategy enabler, EY supports clients to engage in strategy transformation, executive culture change, and dynamic business model transitioning from the point of view of management guidance and enablement. Among strategy enablers, clients working with EY enjoy the benefits of strategic, operational, and data-level guidance and enablement despite EY's point of entry continuing to align at the strategy level. EY's digital-hybrid engagement model supports organizations seeking more outcomes-based guarantees as part of their price scoping and partnership model. The outcomes-based model is best supported when clients are aware of the business elements that need to transition to achieve their goals as well as the behavioral aspects spanning leadership and collaboration that need to be retrained to support them. EY's style of engagement, partnership, and digital discovery shortens client discovery timelines and reduces initial engagement costs before change engagements begin. EY seeks to stand client efforts up quickly and efficiently, navigating into guided actioning and facilitating transformation management as early as possible.

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

Employee experience (EX) consulting consists of both strategy-led and digital-first business consulting firms. Strategy-led firms serve clients from the perspective of guiding their organizations through managerial transformation that informs digital resource selection, organization change, and business reorientation. Digital-first firms serve clients from the perspective of making more insightful use of digital insights, closing data and resource gaps, and bridging digital competencies to inform organizational and managerial transformation. In both cases, clients benefit from organizational transformation around principles of employee experience that better connect the voice of the employee into how organizational change happens while improving transparency across change for the impacted workforce.

EX consulting services spans three critical points of entry in terms of how providers bring their services to market:

- **Data enablers** uniquely partner with clients at almost any level within the business. The earliest component of their engagement model assesses the data-tracked state of the problem for which they are asked to support and solve with the client. Embedding within the company's operational and workforce data models allows data enablers to scope and scale EX transformation from any corner of the business and from any starting point within the overall solution scope.
- **Strategy enablers** partner with the highest-level stakeholders, commissioning and/or driving and impacting the change and transformation effort. While most strategy enablers are given the client's scope of the immediate problem, they quickly embed within the client's decision layer to identify gaps in planning, execution, and engagement before recommending strategy changes for

communications, resource management, organization design, and engagement modeling.

- **Operational enablers** embed within the business execution layer of the organization to seamlessly evaluate the state-of-business operations as a part of the front-office teams. Operational enablers assess the state-of-business execution metrics and work out where disconnects in decision-making, workforce allocations, resourcing, and the operational model need to be corrected to realize targeted business opportunities.

Across the broader field of consultancies included in this 2024 IDC MarketScape for worldwide EX consulting services are general market categories of service providers including:

- **The Big 4:** IDC recognizes the well-known Big 4 firms as the four largest international accounting and multidisciplinary professional services firms — Deloitte, EY, KPMG, and PwC.
- **Plus:** IDC recognizes large and multidisciplinary business transformation firms that operate on or near the level and scope of the Big 4 firms — BCG, Bain, and Accenture.
- **Technology led:** IDC recognizes large, multifaceted firms that are known for deep expertise and native capabilities in technology and EX transformation consulting. Technology-led firms expand from IT-centric businesses into broader consulting — IBM, North Highland, and Cognizant.

LEARN MORE

Related Research

- *Worldwide and U.S. Employee Experience Software and Services Forecast, 2024–2028* (IDC #US51770724, July 2024)
- *IDC MarketScape: Worldwide Business Consulting Services 2024 Vendor Assessment* (IDC #US51113123, June 2024)
- *Mapping the Maturing Employee Experience Stakeholder Journey* (IDC #US51630524, March 2024)
- *IDC's Worldwide Digital Transformation Use Case Taxonomy, 2023: Human Capital Management* (IDC #US51220923, November 2023)
- *IDC MarketScape: Worldwide Employee Experience Consulting Services 2022–2023 Vendor Assessment* (IDC #US49854822, December 2022)

Synopsis

This IDC study assesses the vendor performance of employee experience (EX) consulting service providers worldwide. EX consulting providers all partner well with their clients, providing a diverse field of points of entry to initializing and expanding their engagements based on the unique transformational needs of each client engagement. EX transformation is acutely unique for each organization, leading to key client challenges in selecting the right partner based on the scope of services available, the nature of the requirements for engagement, and the point of entry within the functional, operational, and stakeholder ecosystem that the client is requisitioning the partnership. Partners and clients must communicate effectively from the first points of client informational inquiries to ensure that the client's scope of engagement requirements is reflected in the material capabilities of the provider seeking the partnership. The importance of selecting the right approach in addition to the right provider cannot be overstated as mismatched clients and partners will lead to financially immaterial engagements for both even if client operational goals are ultimately achieved and/or fulfilled.

"Choosing an EX consulting partner is complex and requires an acute understanding of the true challenges facing your organization," says Zachary Chertok, research manager for Employee Experience at IDC. "EX transformation is behavioral, cultural, digital, organizational, and operational while involving many operational, HR, and managerial stakeholders. It is incredibly important to know what you do not know about your data gaps, cultural shortcomings, employee engagement, and leadership quality prior to selecting a point of engagement with a potential partner so that you can hit the ground running in the right direction from day 1 with the right partner."

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. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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