ALM Intelligence

Buyer Ratings Guide

The *ALM Vanguard:* Talent & Leadership Consulting

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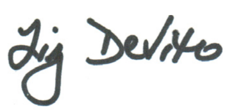
Contents

Author



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Overview

Capability Drivers

Demand for talent and leadership consulting continues to accelerate, fueled by a combination of environmental and operational forces pressuring organizations to adopt strategic approaches to the people agenda. At the root of these forces is the continuing impact of technology on customer and employee behavior, values, and expectations. Digitization has dramatically altered the structure of competition and the conduct of business, compelling organizations to adopt business models that are open, connected, and centered on the customer experience. At the same time, artificial intelligence, robotics, wearables, and other cutting edge technologies are rapidly integrating into the work environment against a backdrop of talent scarcity and generational shift that is redefining the social contract of work. The combined effect of these forces is changing what it takes for consultants to help their clients develop the strategies and support systems needed to effectively manage talent. Firms identified as leaders in the talent and leadership consulting space share some key, distinguishing capabilities.

Aligning talent and business strategies. Providers have long played the role of silo breaker when consulting on talent management, helping clients understand that recruiting, performance management, and training, for example, have comparable business objectives. This mindset was facilitated by HR operating models that connected the dots between talent verticals to ensure that workflows and technology are mutually reinforcing, efficient, and consistent across operations. Some went further with outside-in HR operating models that raise awareness of the customer commitment across front, middle, and back offices. The convergence of physical and digital technologies, however, has implications for all aspects of business strategy and operations. Providers are helping clients rethink their approach to talent with frameworks that illustrate the virtuous cycle of business strategy, operating model and organization design, workforce planning, and talent management, and how this cycle effects both the customer and employee experience.

Imagining the future of work. Business and HR leaders find the talent implications of the fourth industrial revolution ambiguous and amorphous. They are plagued with uncertainty about how to pivot their workforce to create new forms of value in tandem with cognitive labor and robotic processes. They increasingly value the opportunity to work offsite with their consultants to reimagine the future of work for their organization and experiment with new technologies. The investments providers have made in experience centers and digital studios directly serve this client need. Consultants now find themselves playing the role of expert facilitator and collaborator, using scenario planning and design thinking ways of working in a physical environment where clients can ideate and understand at a tactical level how technology innovations could impact their workforce and talent strategies.

Delivering integrated services. Client demand is trending towards consolidation of the talent and leadership supply chain with one or two preferred global providers who can effectively manage their internal and external ecosystems. Buyers have complained for many years about the fragmented talent and leadership services market, but have now reached a point where they simply do not have the time or expertise to identify, qualify, and manage multiple contracts. More importantly, they are seeking holistic, globally consistent approaches that incorporate talent and leadership frameworks in all phases of the transformation process as a hedge against people risk factors. After several years of modernizing consulting frameworks and investing in ecosystem expansion, the leading providers have reorganized to deliver services as an integrated capability, managed alternatively as location-based hubs, platforms, or service offerings that transcend traditional practice structures.

Overview
Capability Drivers

These offerings embody new paradigms for outcomes-based consulting with the provision of multidisciplinary consulting, coaching, instructional design, analytics, and technology-enabled solutions to serve clients' upstream and downstream needs. Several firms have embedded these services into their global transformation frameworks as well. The supply chain consolidation trend does not apply to certain geographies, notably Asia, or downstream services, e.g., leadership development, where local culture is the primary influence in buying decisions for talent and leadership services. Providers serving those markets, however, have expanded their consulting frameworks to align with business transformation strategies.

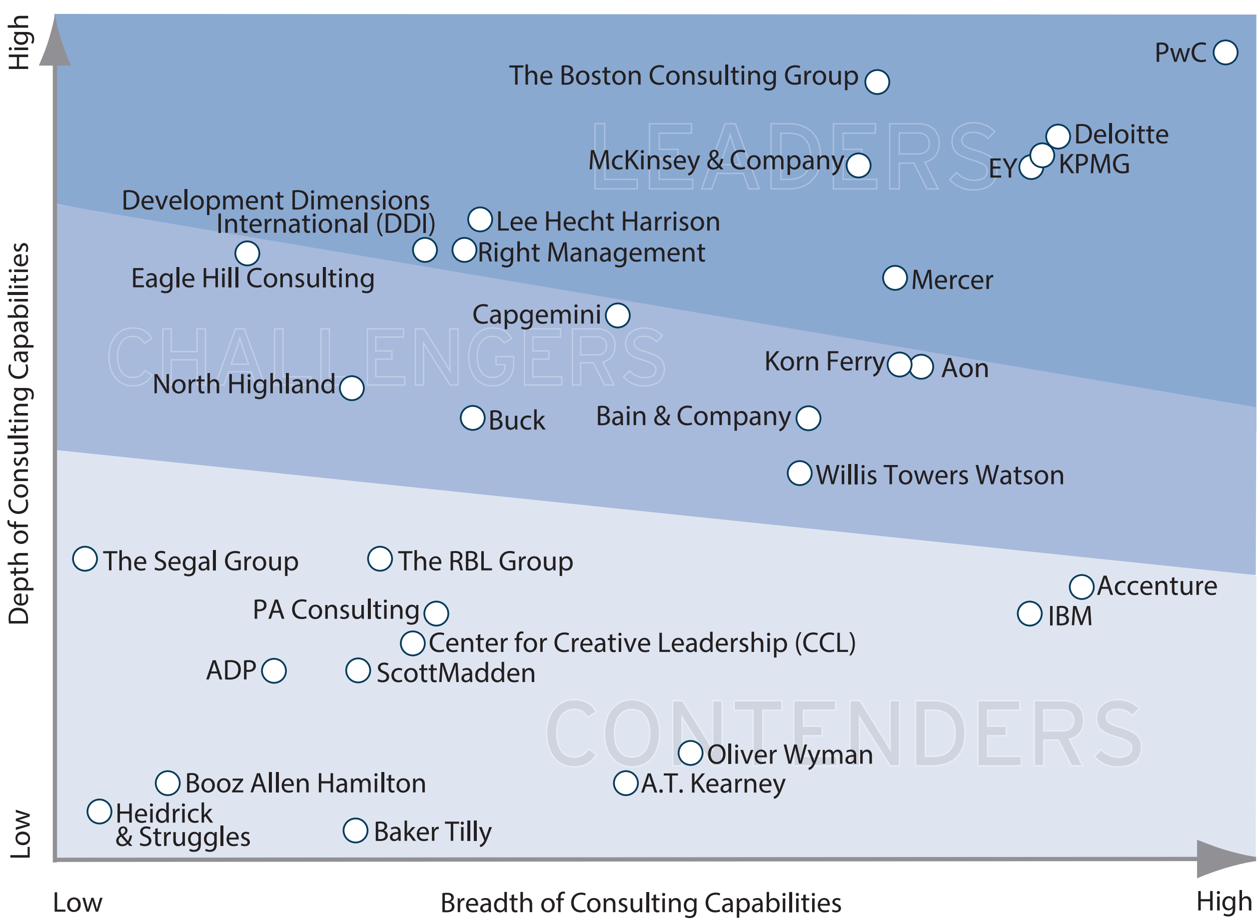
Cultivating digital leaders. Amidst the talent scarcity that is emblematic of the current business cycle is an even greater scarcity of leaders prepared to tackle the challenges of digital transformation (and all that implies) for the employee experience. Academic and business thought leaders alike speak of a new leadership model where the command-and-control style rooted in the industrial revolution is being replaced by curiosity and collaboration, as much as by digital skills and mindsets. The leading providers are responding with services and solutions that help clients do a better job of targeting, recruiting, assessing, and developing digital leaders, differentiating on the balance of skills, competencies, and behaviors that drive their perspective.

Learning as a foundational capability. The emerging reality of the fourth industrial revolution is that components of existing jobs will be replaced or augmented by technology and that new roles will be created. When coupled with the scarcity of appropriately skilled talent in the open market, the pressure is on organizations to reskill the existing labor force in order to stay competitive. There is significant demand for learning consulting and managed services coming from all sectors, with many seeking advisory services for setting up academies and universities modeled after those of their consulting providers. Overall, the leading providers perceive learning as a foundational capability for digital era companies and have made significant investments in the development of proprietary MOOC-like platforms and mobile apps to deliver personalized learning journeys to their clients' employees. In addition, they are helping clients assess individual aptitudes for learning during the recruiting, performance management, succession planning, and leadership development processes to shape customized content and training strategies.

ALM Vanguard of Talent & Leadership Consulting Providers

The *ALM Vanguard* of Talent & Leadership 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 talent & leadership 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.

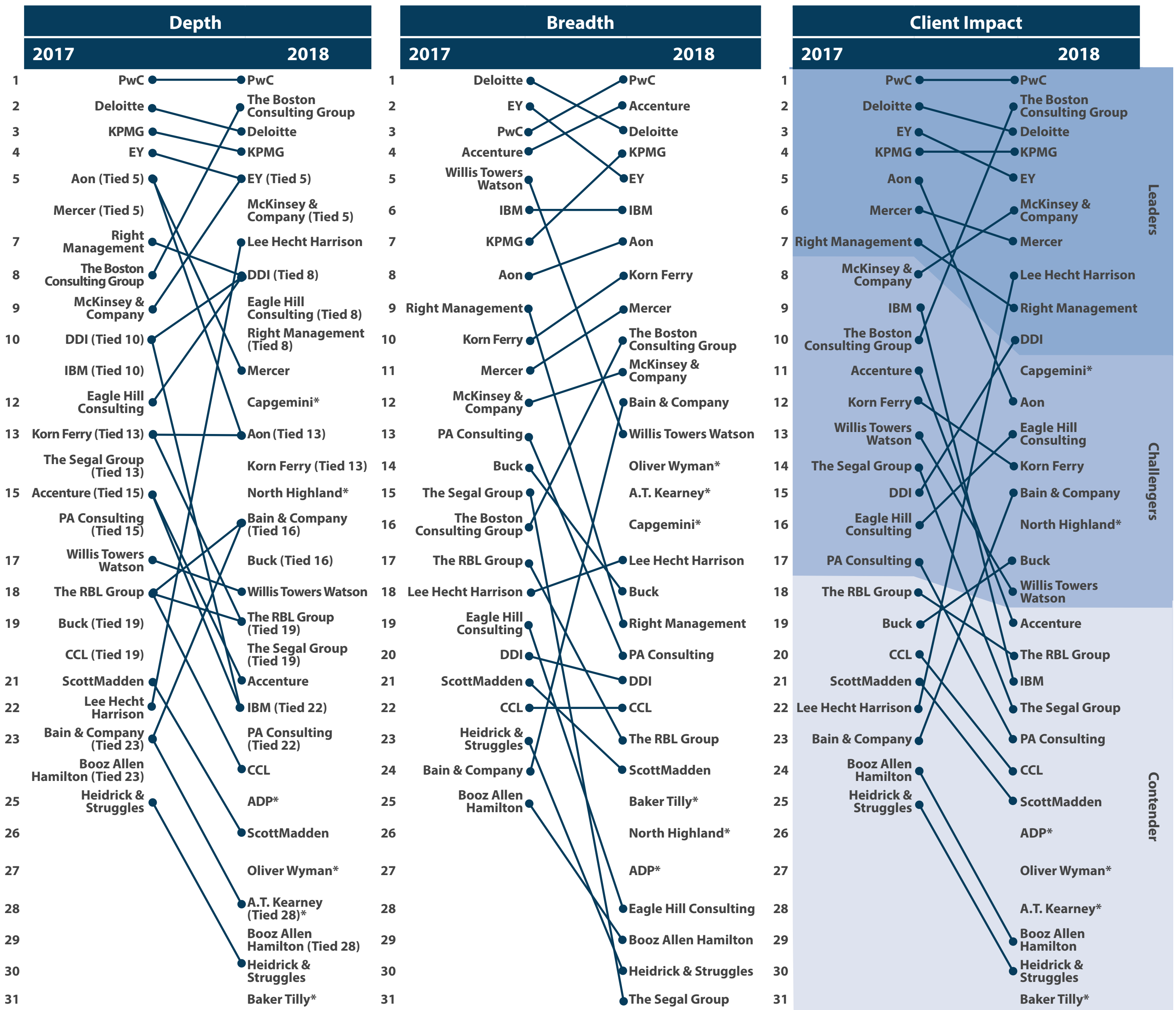
Consulting is distinctive from other industries because of the variety of client contexts that providers encounter in terms of ambitions, needs, and abilities that alter what it takes to create impact. As providers seek to deploy their capacity to create client impact (depth) across industry sectors, 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.



**Firms not previously covered*

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	The Boston Consulting Group Deloitte KPMG McKinsey & Company PwC	DDI EY Lee Hecht Harrison Mercer Right Management	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	Aon Buck Eagle Hill Consulting North Highland	Bain & Company Capgemini Korn Ferry Willis Towers Watson	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	A.T. Kearney ADP Booz Allen Hamilton Heidrick & Struggles Oliver Wyman The RBL Group The Segal Group	Accenture Baker Tilly CCL IBM PA Consulting Scott Madden	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 Talent & Leadership Consulting Providers comprises the following Leaders.

Leaders	Strengths
PwC	***PwC stands out for exceptional breadth and depth of consulting capabilities bolstered by a diverse combination of resources, including its Strategy& affiliate, Katzenbach Center, PwC Saratoga, and one of the most comprehensive portfolios of digital assets in the market today.***

Source: ALM Intelligence

Provider Capability Ratings

The table below provides detailed capability ratings for Talent & Leadership consulting providers. (See the Definitions section of this report for explanations of the capabilities.)

Legend: Very Strong, Strong, Moderate, Weak, None

Provider Capabilities: Talent & Leadership Consulting

	Discovery			Design			Delivery		
	Needs Assessment	External Market Insight	Internal Client Insight	Strategy	Operating System	Management System	Project Management	Client Capability Development	Enabling Tools
PwC	Strong	Very Strong	Strong	Strong	Very Strong	Very Strong	Strong	Strong	Strong
Accenture	Moderate	Moderate	Moderate	Moderate	Strong	Moderate	Moderate	Moderate	Strong
ADP	Moderate	Moderate	Strong	Weak	Moderate	Moderate	Strong	Moderate	Moderate
Aon	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong
A.T. Kearney	Strong	Moderate	Moderate	Moderate	None	Moderate	Moderate	Moderate	Weak
Bain & Company	Strong	Strong	Strong	Strong	Moderate	Strong	Strong	Strong	Strong
Baker Tilly	Moderate	Weak	Moderate	Weak	Strong	Moderate	Strong	Moderate	Weak
The Boston Consulting Group	Strong	Strong	Very Strong	Strong	Strong	Strong	Strong	Very Strong	Strong
Booz Allen Hamilton	Moderate	Weak	Moderate	Moderate	Strong	Moderate	Strong	Moderate	Weak
Buck	Strong	Moderate	Strong	Strong	Strong	Strong	Moderate	Strong	Strong
Capgemini	Strong	Strong	Strong	Moderate	Very Strong	Moderate	Strong	Strong	Strong
CCL	Strong	Strong	Strong	Moderate	Weak	Strong	Moderate	Strong	Moderate
DDI	Strong	Strong	Strong	Weak	Strong	Strong	Strong	Very Strong	Very Strong
Deloitte	Very Strong	Strong	Strong	Strong	Strong	Very Strong	Strong	Strong	Very Strong
Eagle Hill Consulting	Strong	Strong	Strong	Strong	Moderate	Strong	Very Strong	Very Strong	Moderate
EY	Strong	Strong	Strong	Very Strong	Strong	Very Strong	Strong	Strong	Strong
Heidrick & Struggles	Moderate	Strong	Strong	Moderate	None	Moderate	Moderate	Strong	Moderate
IBM	Moderate	Strong	Strong	Moderate	Very Strong	Moderate	Moderate	Moderate	Strong
Korn Ferry	Very Strong	Strong	Strong	Moderate	Moderate	Strong	Strong	Strong	Strong
KPMG	Strong	Strong	Strong	Strong	Strong	Very Strong	Strong	Very Strong	Strong
Lee Hecht Harrison	Very Strong	Moderate	Strong	Strong	Strong	Strong	Strong	Strong	Strong
McKinsey & Company	Strong	Strong	Very Strong	Strong	Strong	Strong	Very Strong	Strong	Strong
Mercer	Strong	Very Strong	Strong	Strong	Strong	Strong	Strong	Moderate	Strong
North Highland	Strong	Strong	Strong	Strong	Moderate	Strong	Strong	Strong	Moderate
Oliver Wyman	Moderate	Moderate	Moderate	Strong	Weak	Strong	Moderate	Moderate	Moderate
PA Consulting	Moderate	Moderate	Moderate	Moderate	Strong	Moderate	Strong	Very Strong	Strong
Right Management	Strong	Strong	Moderate	Strong	Strong	Strong	Strong	Very Strong	Very Strong
The RBL Group	Moderate	Strong	Strong	Moderate	Weak	Strong	Strong	Strong	Moderate
ScottMadden	Moderate	Moderate	Moderate	Moderate	Strong	Strong	Strong	Moderate	Moderate
The Segal Group	Strong	Moderate	Strong	Moderate	Moderate	Strong	Strong	Strong	Strong
Willis Towers Watson	Very Strong	Strong	Strong	Moderate	Weak	Strong	Strong	Strong	Moderate

Source: ALM Intelligence

Best in Class Providers

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

Capability Areas	Provider	Strengths
Enabling Tools	PwC	PwC possesses an enviable collection of pre-built talent analytics solutions designed to help clients address their top workforce concerns from talent acquisition, retention, and performance to learning management and total rewards. The firm excels at combining advanced analytics and data visualization in tools for easier adoption by executives, front-line managers, and individual employees.

Source: ALM Intelligence

Provider Briefs

Leaders

PwC	
Approach	PwC's perspective builds on the premise that current approaches to talent management are fragmented, inoperable, and so short-sighted that for most organizations, talent management contributes less to business performance than it does to human capital risk. The consulting approach seeks to create clarity around the value proposition for aligning talent to business strategy and transforming siloed capabilities into a talent ecosystem that transcends the boundaries of HR. The firm's Workforce of the Future platform was designed to help clients achieve a level of clarity that enables the development of an integrated, multidisciplinary, and centralized approach to talent management.
Practice Structure	PwC's resources are based in the People & Organization (P&O) practice, although the firm's holistic approach to the business challenge engages the expertise and capabilities of consultants across the consulting, digital, real estate, risk, tax, and transactions lines of business. P&O practitioners provide a comprehensive portfolio of services grouped according to the talent lifecycle: recruit and onboard, develop and deploy, measure and manage, reward and recognize, and review and transition. Above all is an employee experience offering that delivers services in workforce management (e.g., change and culture), workplace digitization, and data analytics.
Service Delivery Model	PwC's Workforce of the Future platform provides the client with a framework for thinking about how social, technological, and demographic trends might reshape their workforce and talent requirements. The platform also provides an organizing principle for grouping the broad cross-section of business and talent operations, processes, and services that must connect for a holistic solution. When viewed through these lenses – workforce strategy, workforce experience, and workforce environment – PwC can help the client map how the workforce strategy connects to the talent management strategy and explore the appropriate blend of services that will shape the consulting intervention. Connecting to the business strategy is a function of PwC's strategy-to-execution service delivery model, while the firm's BXT philosophy ensures an end-to-end transformation method that incorporates strategy, design, and implementation. The consulting process is enabled by technology-based solutions developed by PwC New Ventures; for example, the Katzenbach Center Wisdom of Teams Survey for assessing leadership and team effectiveness, the Halo tool for diagnosing employee rewards, the Talent Nav app for performance management, and the Digital Fitness Assessment app. The portfolio is constantly expanding with innovations grounded in PwC's extensive research into the impact of workforce and talent trends on business strategy and operations. PwC tests the talent services and solutions it develops in its own organization, providing clients with a convincing qualification and use case that can guide their own journey.

Source: ALM Intelligence

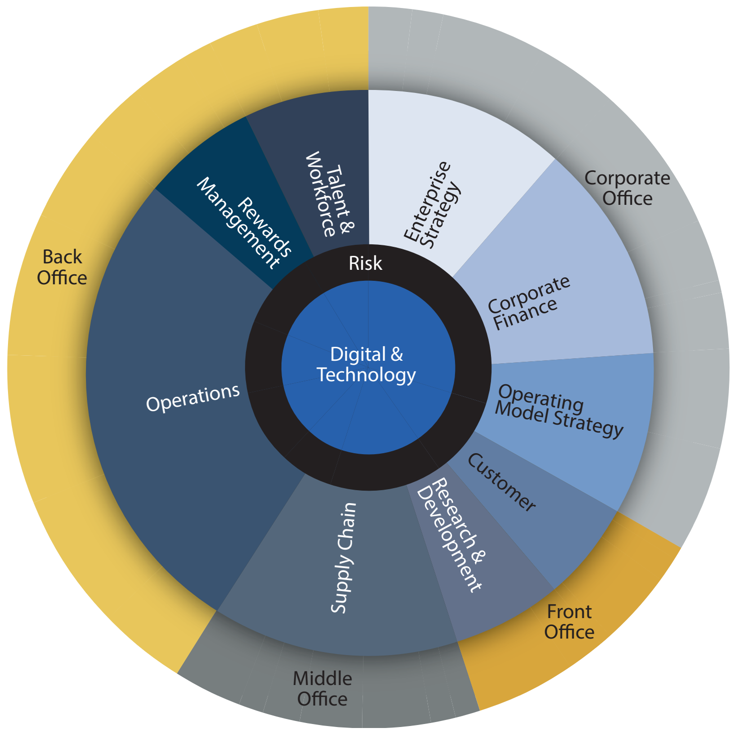
Definitions

What is Talent & Leadership Consulting?

Consulting is part of talent and workforce consulting forms part of the management consulting services directed at clients' back office activities. Its objective is to improve clients' ability to source, develop, engage, and retain the human resources required to deliver the enterprise strategy.

Talent and workforce consulting consists of three services.

- **Workforce management:** organizing the supply and deployment of human resources through workforce planning, job architecting, and mobility services
- **Communications & change:** orchestrating company-wide changes in culture and ways of working to improve the engagement of employees to execute on strategic objectives
- **Talent & Leadership:** acquiring, developing, and measuring capabilities in human resources at all levels consistent with strategic performance priorities



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.

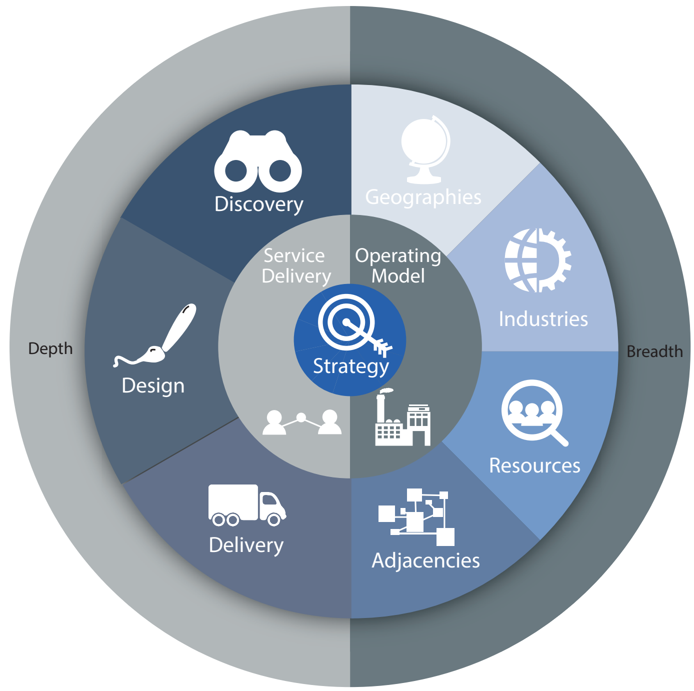
The experience and knowledge of the analyst team are critical to the success of these research endeavors. Directors and associate directors average over a decade of consulting and/or analyst experience, with an emphasis on professional services. Junior analysts typically bring an average of five years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



Source: ALM Intelligence

- **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.

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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