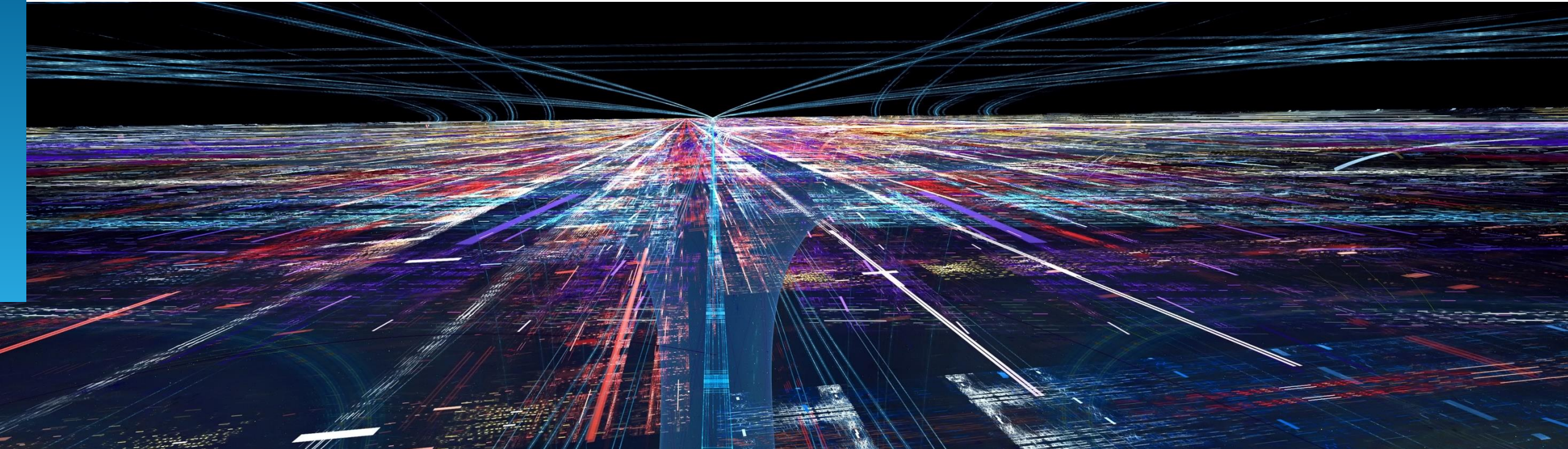


# Digital Transformation Consulting State of the Market 2023: Consulting in Pursuit of Value

August 2023: Complimentary Abstract / Table of Contents



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- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
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## This report is based on two key sources of proprietary information

- Proprietary database of IT services contracts of major IT providers with workplace services in the scope of work (updated annually)
- The database tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including provider, contract type, TCV & ACV, provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual buyer locations being served in each contract, Line of Business (LoB) served, and pricing model employed
- Proprietary database of IT providers (updated annually)
- The database tracks the following for each provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different LoBs
  - Revenue split by region
  - Location and size of delivery centers
  - Technology solutions developed
- **Provider briefings**
  - Vision and strategy
  - Annual performance and future outlook
  - Key strengths and improvement areas
  - Emerging areas of investment
- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting workplace services
  - Assessment of provider performance
  - Emerging priorities
  - Lessons learned and best practices

### Providers assessed<sup>1,2,3</sup>



1 Assessments for Accenture, IBM, and Capgemini exclude service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers  
2 Assessment of Atos includes partial inputs from the service provider and is based on Everest Group's estimates that leverage Everest Group's proprietary data assets, providers' public disclosure, and interaction with buyers  
3 Assessment reflects the digital transformation consulting capabilities of IT services providers

The source of all content is Everest Group unless otherwise specified

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## Introduction

The COVID-19 pandemic has accelerated digital transformation considerably. Enterprises are investing heavily to drive customer experience, process and cost optimization, growth, and sustainability across organizations. Historically, enterprises have received subdued returns from digital transformation initiatives. Consulting emerged as a key aspect of the digital transformation value chain as enterprises understood that a clear vision and strategy are quintessential for the success of digital transformation initiatives. Amid huge demand and the involvement of technology.

In the transformation journey, enterprises have started looking beyond traditional consulting offerings. Now, enterprises are searching for providers that can guide them to outline a digital vision and a roadmap, along with being able to drive innovation with actual value realization.

This report delves into the influence of the prevailing macroeconomic environment on enterprises and providers, as well as the evolving market trends that emphasize maximizing digital transformation investments and prioritizing value-driven strategies.

### This report looks at:

- Unanimous focus on value from digital transformation consulting services and its impact on these engagements
- Enterprises streamlining their vendor portfolios with the aim of achieving improved visibility of value and cost-efficiency
- Value-driven approaches and further implications for organizations and providers

### Scope of this report



**Geography**  
Global



**Industry**  
14 leading digital transformation consulting services providers



**Services**  
Digital services

## Overview and abbreviated summary of key messages

In this report, we explore the trends governing the digital transformation consulting market, examine the impact of the prevailing macroeconomic environment on enterprises and service providers, and present a framework for the future pursuit of value in these engagements. This report also provides key implications for enterprises and service providers.

Some of the findings in this report, among others, are:

### Digital transformation consulting services landscape

- Digital transformation is expected to experience a consistent momentum till 2025, despite tepid growth in 2023
- Digital transformation is experiencing increased complexity in technology transformations, which is propelling technology transformation strategy engagements to account for a large portion of this overall market
- Core focus of digital transformation has shifted to operations and support functions as enterprises prioritize run-the-business initiatives to quench the need for immediate cost efficiencies

### Focus on value from digital transformation

- With increased complexity and rapid transformation, value perception of initiatives has diminished
- Enterprises are demanding better value visibility within digital transformation engagements to justify spends
- Enterprises, in the search for value visibility, are looking for vendors that can support their digital transformation needs end-to-end

### Key to the future of value-based consulting

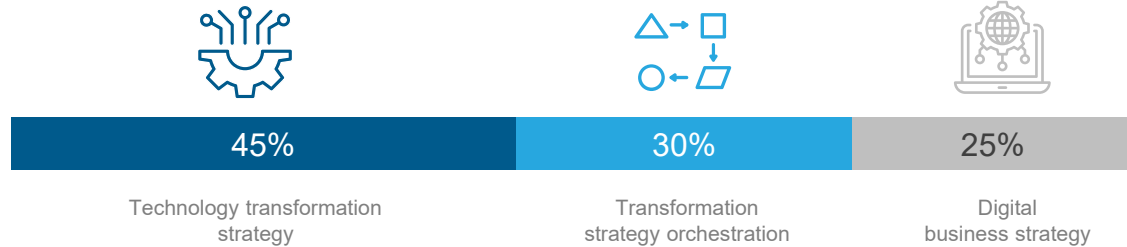
- Enterprises are dissatisfied with the providers' performance as a strategic partner and want to focus on intangible value aspects such as thought leadership, proactiveness, and change management
- With a need for full-service providers, GSIs are taking active measures to strengthen their consulting play while consulting providers are expanding their capabilities within downstream services to ensure value delivery



# This study offers three distinct chapters providing a deep dive into key aspects of IX services market; below are four charts to illustrate the depth of the report

## Uptick in technology strategy engagements

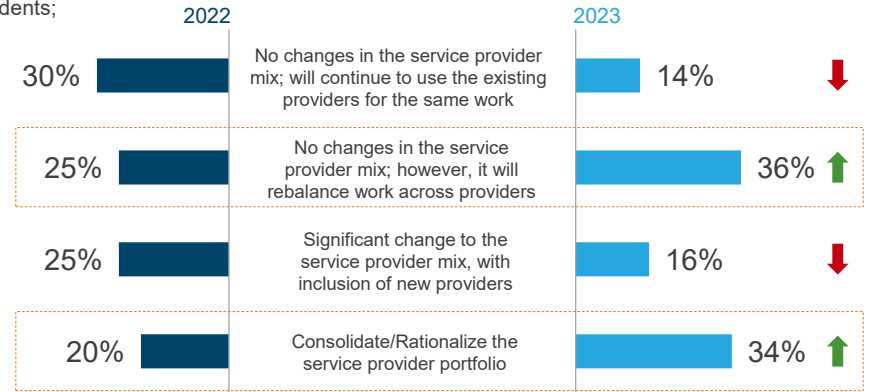
**Current market demand**  
Total = US\$82-84 billion



## Enterprises are consolidating their portfolio onto their best providers

**Expected changes in service provider mix in 2023**  
Percentage of respondents;

↓ Decrease in expectation   ↑ Increase in expectation   ▭ Key focus in 2023



## Implications for enterprises

### Implications for enterprises



Approach digital transformation engagements with a clear vision and North Star metrics to ensure success.

Define the value to be derived and create a framework to best articulate value for their business needs.

Ensure that their value framework is operationalized while adopting robust change management strategies.

Prioritize and extract the maximum value from consulting services to successfully convert digital transformation strategies into operational reality throughout the end-to-end process.

## Unlocking intangible value for success of consulting engagements

### Holistic value delivery requires leveraging intangible value drivers



#### Thought leadership

- How does thought leadership from SP's influence strategic decision-making during digital transformation
- What impact does thought leadership have on shaping the direction and effectiveness of digital initiatives



#### Proactiveness

- How does a proactive approach by SPs drive innovation and identify new opportunities
- What benefits can enterprises derive from the SPs' ability to anticipate challenges and offer proactive solutions



#### Client management

- How does effective client management enhance collaboration and build long-term relationships
- What role does client management play in ensuring client satisfaction and project success



#### Domain expertise

- How does the SPs' domain expertise contribute to successful digital transformation initiatives
- What are the benefits of leveraging specialized knowledge in driving business outcomes



#### Change management

- How does robust change management facilitate the adoption of digital transformation initiatives
- What are the implications of successful change management for enterprise-wide transformation



# Research calendar

## Digital Services

■ Published
 ■ Planned
 ■ Current release

Reports title	Release date
Moving Toward Scaled, Successful, and Sustained Digital Transformation	May 2022
Technology as a Strategic Differentiator in an Organization's Growth	June 2022
Digital Twin Services PEAK Matrix® Assessment 2022	July 2022
Systems of Growth – Building a Platform-based Operating Model to Innovate and Differentiate at Enterprise Speed and Scale	July 2022
Digital Twin Services Provider Compendium 2022	August 2022
Web 3.0 Trailblazers – the Top Start-ups Building the Next Generation of the Internet	October 2022
Exponential Technology Radar 2023: Picking the Right Battles	February 2023
Digital Transformation Consulting Services PEAK Matrix® Assessment 2023	March 2023
Enterprise Services Blockchain PEAK Matrix® Assessment 2023	April 2023
Digital Services State of the Market 2023: Fostering Innovation During the Downturn	May 2023
Enterprise Services Blockchain Services Provider Compendium 2023	July 2023
<b>Digital Transformation Consulting State of the Market 2023: Consulting in Pursuit of Value</b>	<b>August 2023</b>
Digital Twin services PEAK Matrix® Assessment 2023	Q3 2023
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