

THE DIGITIZATION OF CONSULTING

• PRACTICE WHAT YOU CONSULT •



| www.9lenses.com |

9LENSES®



GET AHEAD OF A CHANGING MARKET

Client needs and the consulting industry are changing. Use the 9Lenses digital consulting platform to extend your current engagements and win new business.



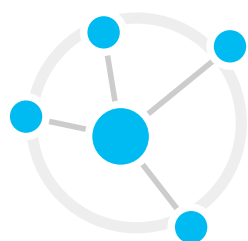
Win More Business

Add value on day one, create customer stickiness, and win more business.



Maintain Consistency & Quality

Improve the consistency and quality of your output in a way that is unique to your business.



Improve Connectivity & Productivity

Digitize your workflow to increase productivity and stay connected to your colleagues and clients.



TOUR THE SOFTWARE

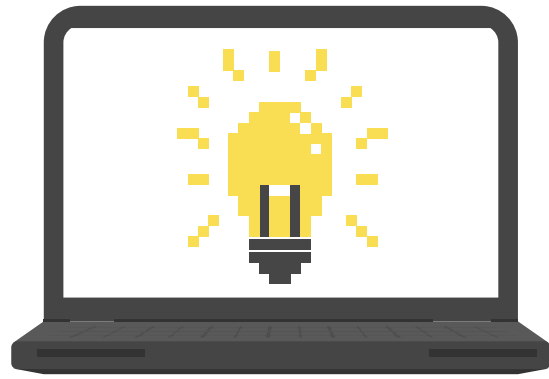
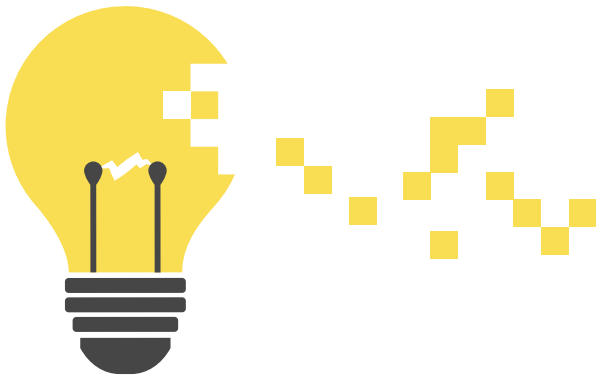
To Learn More: www.9LENSES.com

EXECUTIVE SUMMARY

As the business world goes digital, business models are fundamentally changing to focus more on customers. Consulting is one of the last industries to go digital, but customer expectations are quickly pushing it in that direction. Digital consulting will involve more than using tools to supplement the work the consultant can accomplish manually. Instead, firms will need to rethink their entire workflow to ensure the client remains at the center.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	01
DIGITAL TRANSFORMATION DEFINED	03
WHY CONSULTING IS NO EXCEPTION.....	05
WHAT DIGITAL CONSULTING LOOKS LIKE	06
5 WAYS CONSULTANTS CAN START GOING DIGITAL	09
CASE STUDY: TOP-TIER FIRM GOES DIGITAL	15
CONCLUSION	18



DIGITAL TRANSFORMATION DEFINED

It's hard to avoid the conversation around the digitization of the business world. Major business publications such as *Forbes* and the *Harvard Business Review* are covering it extensively, and industry leaders are heralding their efforts towards digital transformation. Yet according to *Forbes*, there still remains significant confusion around what exactly digital transformation entails. Digital is not an appendage to an organization; it is something that drives the way the entire business operates, even if that business relies primarily on human capital. For some companies, digital transformation may mean the creation of an entirely new business model. That sort of change may be intimidating, but *evidence shows us that the payoff is astronomical*.

For a comprehensive definition of digital transformation, we turn to the *Altimeter group*: "the realignment of, or new investment in, technology and business models

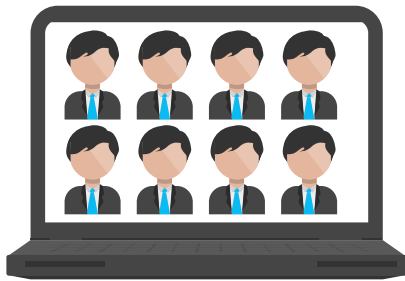
to more effectively engage digital customers at every touchpoint in the customer experience lifecycle." Digital transformation can thus boil down to two major focuses: 1) Transformation of business models in order to 2) better meet the needs and expectations of digital customers.



1. Business Model Transformation

Successful digital transformation involves far more than solving a problem with a digital solution, tacking a digital branch onto a company, or investing more in technology without really changing the way things are done. It involves a fundamental change in what a company does - based on new digital capabilities - in relation to how it

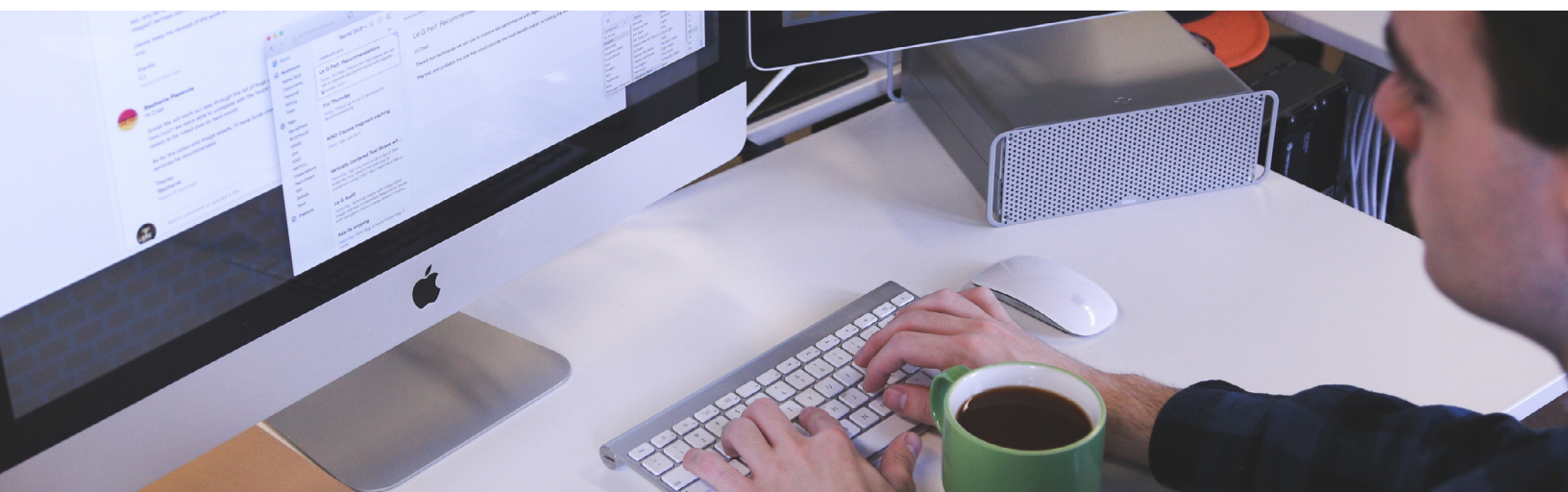
serves its clients or customers. The new way the company functions is an improvement over the old way because it more closely conforms to customers' needs at every step of the customer lifecycle, and it meets the expectations of a digitally-transformed consumer base. There needs to be a purpose behind the transformation that goes beyond adopting technology simply because it's available or even because it makes things go faster than before. That purpose is the digital customer.



2. The Digital Customer

Digital customers are different than their predecessors because digital capabilities give them more control over their own customer experience. Whereas before

businesses would dictate the parameters of the customer experience – how and when the customer would be involved in the production and buying process, etc. – digital devices have handed those reins over to the customer. *According to a study by Accenture*, this change in customer control affects the entire organization: “Attracting, winning, and retaining customers requires a concerted effort across the entire organization, with profitability, ROI, and customer satisfaction as key measurements of their progress.” Moreover, *Harvard Business Review* points out that customers no longer base their expectations on the bounds that individual industries put in place. Instead, they hold all companies to the same high standards that allow them to customize their experiences, based on their unique needs, at every stage of the buyer journey. For example, no longer are customers willing to choose between complex and comprehensive functionality and a simple user interface – digital customers expect both, even from industries that have historically offered only one of those options.





WHY CONSULTING IS NO EXCEPTION

Due to their unique stance in the business world, many consulting firms, particularly the top firms, have thus far *largely evaded the move towards digital transformation*. Part of the reason for this reluctance is due to the fact that a large portion of the traditional consulting model relies on relationships and the expertise or human thought that consultants bring to a client site. Consultants are often unwilling to adopt technology because they believe it will shift that focus.

Additionally, consultants have history on their side: the consulting industry has changed very little in the last century. It's unsurprising, therefore, that consultants feel somewhat immune to the disruption that has affected virtually every other industry. Many become comfortable working in spreadsheets and storing client data on hard drives, even though these methods are often slow and undependable. Moreover, the need for consultants has not diminished: as long as businesses exist, they will have problems that need fixing. And as with any professional service,

human interaction will always have an important part to play.

Nonetheless, consultants are facing the same challenge that similar industries are: customer expectations that do not align to the traditional boundaries of the consulting industry. As a result, customers are finding alternate solutions with greater speed and transparency and clearer ROI. Some of these include the continued *rise of internal consulting*, new delivery or service models such as HourlyNerd or Business Talent Group, and the development of analytical tools that enable organizations to better diagnose and navigate their complex business problems – or that at least reduce the ongoing need for external expertise.

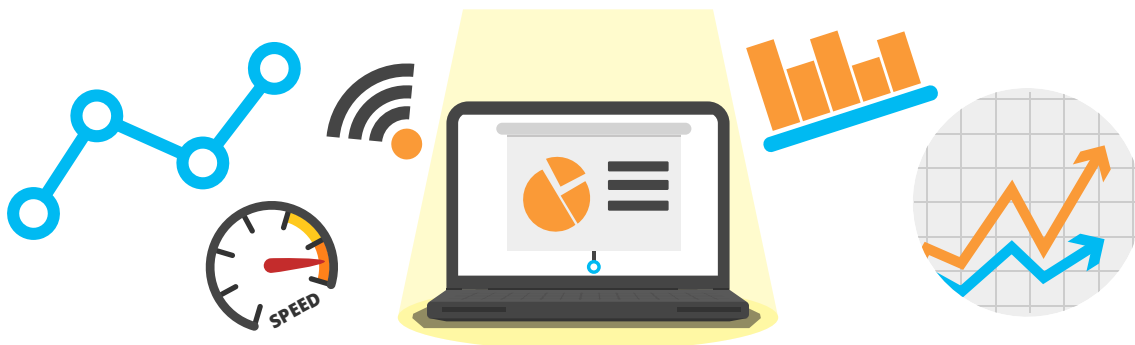
To date, many top-tier consulting firms have relied on their brand names and relationships to attract and retain clients. As prospective clients begin to demand faster results and more measurable ROI, however, these firms may find themselves in a tight corner. This digital customer disruption is escalated by the fact that strategy consulting nowadays often involves helping an organization to go digital. With the global move towards digitization, strategy

and technology now go hand in hand. As a result, clients that would normally turn to the top consulting firms in order to update their business strategies are often looking to technology firms, or firms that focus on IT strategy, instead. That means that even the top firms are now having to compete with smaller, technology-focused firms, *yet they are still behind when it comes to going digital.*

The firms that are going digital the most quickly are those that face the most pressure from clients who demand low cost and immediate value. *Indian firms, therefore, are leading the movement* because

demand for improvements in cost and value in India is especially high. These firms have found that reusable software allows them to deploy their services with many clients at once at little additional cost per client, and clients are given a consistent result with a much shorter time to value.

The good news for consultants is that due to digital transformation, *the need for consulting is on the rise.* The key for consultants is to determine how to harness this increase before clients adopt alternative solutions. In order to meet the expectations of digital customers, they must transform their own workflows and business models to become digital.



WHAT DIGITAL CONSULTING LOOKS LIKE

Because consulting relies so much on human capital, it may not be immediately clear what digital consulting would look like, so we'll take an in-depth look at digital consulting here. McKinsey *recently pub-*

lished an article that divides digital transformation into three categories: creating value at the new frontiers of the business world, creating value in the processes that execute a vision of customer experiences, and building foundational capabilities that support the entire structure. In order to better understand what digital consulting entails, let's examine each of these categories in relation to consulting.

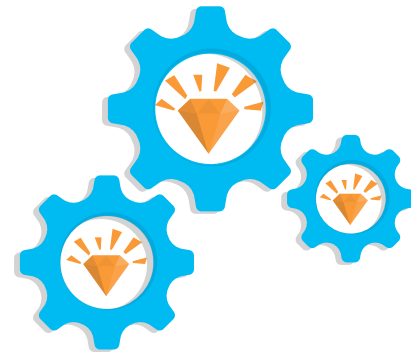


1. Creating Value at New Frontiers

Creating value at new frontiers means either going after new business sectors or finding new value in existing sectors. It requires a deep understanding of the market and how it is changing. In the consulting world, creating value would mean understanding new client expectations and adapting to them. For example, clients today expect greater speed from consultants. They are no longer willing to pay hundreds of thousands of dollars for consultants to come in and spend weeks learning their businesses – *that market is dwindling*. Instead, they expect to receive value from the first billable hour. Consulting firms stuck to the old business model, therefore, will find themselves starting to lose business. Those that find ways to overcome the time to value barrier through digital capabilities will be set for long-term success.

Another way consultants can find value in existing business sectors is by making better use of their data. Without a connected way to collaborate and share IP, consultants fail to build on their internal knowledge by leveraging the most successful elements of their engagements and frame-

works. As a result, consultants never get smarter about the questions they ask, nor do they substantially build on their client knowledge or the issues they tackle. The value of big data to the business world has been widely expounded, and the consulting industry is no exception. Consultants gather huge amounts of data from their clients, and they should be using it to build their expertise around how to ask the best questions and build the best frameworks.



2. Creating Value in Core Businesses

Creating value in core businesses involves using digital capabilities to improve or even rehaul the way things are currently done in serving customers or clients. It is not simply a one-time upgrade, but a system of ongoing improvement that centers around serving the client. Key to creating value in core businesses are automation and real-time analytics, as these will enable companies to identify problem areas quickly and adjust to meet client needs. Businesses also have the opportunity here to use the information they gather from customer interactions to further expand business with that customer.

For consultants, creating value in core businesses would involve digitizing and automating manual methods to create a better client experience. For example, many consultants still spend weeks conducting manual interviews and analyzing data in spreadsheets, and the results of an engagement are often simply compiled and handed to the client in the form of a deliverable. To achieve the kind of value clients seek, consultants should offer solutions that go farther than simply making recommendations or even following up to see how successfully changes were implemented. Clients need living data that tracks performance over time and that they can access and explore themselves. Consultants today, therefore, must provide a service that involves tracking progress and benchmarking against the client's competitors. This type of service benefits the consultant as well as the client, as it sets the stage for a subscription-type, long-lasting relationship with the client instead of a one-time engagement.



3. Building Foundational Capabilities

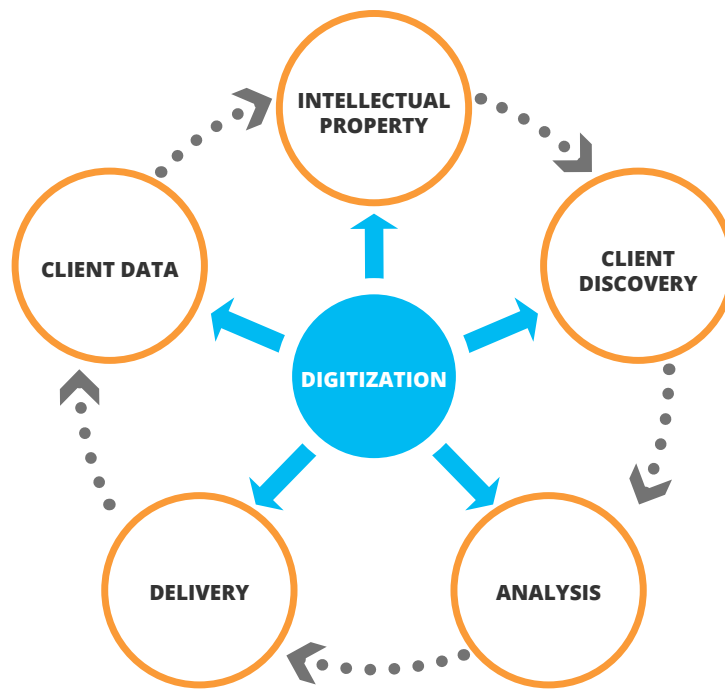
Building foundational capabilities means transforming the organization to adopt both the mindset and the infrastructure to support speed and agility throughout the

organization. For consultants, this transformation would involve the digitization of IP and client data. Consulting firms today rarely have a structured means of storing IP, relying instead on spreadsheets on individual hard drives. As a result, IP frequently leaves the company when an employee does, and the firm is not able to build on and improve that IP over time. Firms may find themselves duplicating work, since IP is scattered. Moreover, IP and client data stored on hard drives is *highly susceptible to data breaches*. In order to build the necessary foundational capabilities, consulting firms must acquire the capability to digitize their IP and client data so that they can store it securely, share it throughout the organization, and build on it over time.

Consultants are helping their clients to be successful in the digital world; it's time for them to do the same. We recently interviewed one of our customers, a senior manager at a top-tier consultancy. In his words, "we need to practice what we consult."

"Businesses need to understand that digital disruption is not a choice – it is now an integral part of doing business. Companies must be data driven to out-innovate their respective industries."

**-Peter Russo,
Global VP | Head of S/4HANA
Product Marketing, SAP**



5 WAYS CONSULTANTS CAN START GOING DIGITAL

Because going digital involves embracing a new mindset that permeates every part of an organization, consultants need to start thinking of their business models as services that are repeatable, scalable, and that give clients lasting value. That means ensuring that every stage of the engagement is enhanced with digital capabilities, from the creation of IP before an engagement kicks off to creating follow-up business opportunities at an engagement's close. It helps to think about the digitization of consulting in five different categories.



1. Digitize Intellectual Property

The first step towards digital consulting is the digitization of intellectual property. A firm's intellectual property usually consists of the frameworks that the consultants use to approach different problems and build solutions for client issues. Some firms, particularly the larger, more established firms, have standard frameworks that they use repeatedly. For these firms,

digitization will mean loading their standard frameworks into a digital platform that allows them to be deployed over and over with little additional effort. Digitized frameworks can be shared easily across practices, and consistent deployment of standardized frameworks will ensure a consistent output.

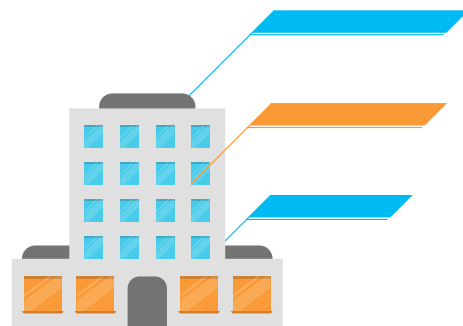
Other firms may not use standardized frameworks, but will approach each client with a different framework, depending on the client's specific problem. Digitization will give these firms an easy means of standardizing the questions and frameworks that work best so that they need not recreate the wheel for every engagement.

For either type of firm, digitization of frameworks offers consultants clear benefits. Creating a library of frameworks will give consultants a powerful tool that allows them to improve their own internal knowledge. By comparing data filtered through the frameworks over time, consultants can easily discover what questions and frameworks are returning the best information and which have room for improvement. Thus consultants can use the data they collect from clients to continuously improve their own offerings.

Moreover, digitization of intellectual property gives consultants a huge advantage in data security. Spreadsheets are notoriously insecure – *financial*, *HR*, and *legal* firms, for example, warn against storing valuable data in spreadsheets. Insights and IP that firms have built up over years can vanish in an instant from malicious attacks. Moreover, if it is not stored centrally, IP

frequently leaves a firm for good whenever key personnel does.

In addition to solving these problems, digitization of IP allows consultants to eliminate duplication of work. One of our customers told us the story of how multiple industry groups within his firm were building the same framework at the same time, but neither group knew it because the firm had no way of effectively sharing that information. Digitization of IP would allow it to be easily shared across practices, therefore helping to create consistency and better reinforce the firm's brand.



2. Digitize Discovery

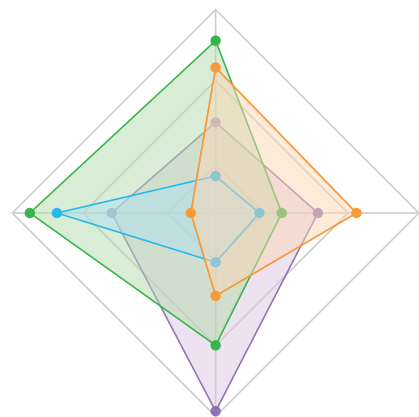
Consultants have an enormous opportunity to digitize the discovery process; the manual discovery process is one of the primary pain points that consultants face today. Clients are increasingly unwilling to pay for long discovery time, causing firms to lose business to internal consulting units or other consulting alternatives. Smaller firms that lack the resources of the top firms may have to sacrifice the quality of the insights they present to clients because they do not have the time

to gather data from all the appropriate stakeholders. Digitization of the discovery process, therefore, can mean tremendous gains for any firm.

The obvious solution to digitizing discovery may seem to be the survey, as a survey can automate the collection of large amounts of data from across an organization. But while surveys may be useful in spotting high-level trends, they fall short in meeting a consultant's needs. Consultants need to know not only what is going on in an organization, but why it is going on, and they need to be able to slice and dice the data in multiple different ways in order to thoroughly understand it. Most survey platforms are not designed to collect in-depth, segmented, and easily understandable data without heavy manipulation. Moreover, surveys do not automatically filter data through the consultant's frameworks, and few survey platforms have automated analytics. The time and effort it takes to make survey data useful, there-

fore, make surveys expensive tools for consultants.

Some consultants will argue that the in-person, face to face interview is integral to successfully understanding an organization's problems, and certainly in-person communication with at least the top level of a client organization may always be a necessary part of the process.. But the fact remains that quality data collection often takes longer than a client is willing to pay for, and so in-person interviews must be supplemented. *The ideal would be something in between the survey and the interview*, such as 9Lenses's interview software. By using tools such as interview software, or software that uses survey technology to engage large populations in a way that simulates an interview, consultants can pulse an entire organization – no matter what the size – before an engagement kicks off. Thus they can rapidly understand the state of an organization and give clients real value from day one.



9LENSES®
Interview



Survey





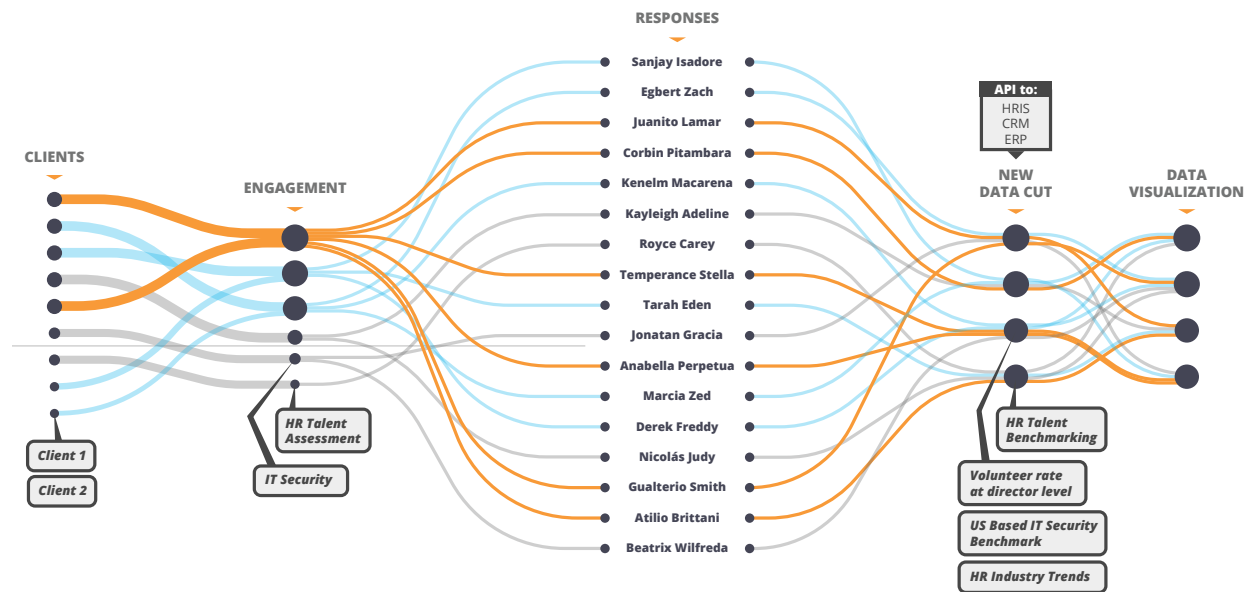
3. Digitize Analysis

Digitizing the analysis process is also crucial to today's consultants. In the era of big data, clients are increasingly expecting consultants to use large amounts of data in reaching their conclusions. Moreover, because many organizations are flattening, the opinions of just the top layer of a company no longer necessarily reflect the state of the entire organization. Analysis of such large amounts of data will begin to constrain resources, especially for smaller firms, unless the

process of filtering the raw data through the frameworks and into an analytics platform is digitized. Consultants should look for tools or platforms that combine the discovery process with an analytics platform, as they will eliminate the time-consuming step of transferring a data set from one platform to another. Digitization of the analysis process will allow for greater speed and will enable consultants to come to clear, data-driven conclusions.

"The only wrong move when it comes to Digital Transformation is not to make any move at all."

**-Didier Bonnet,
Senior VP of Capgemini**



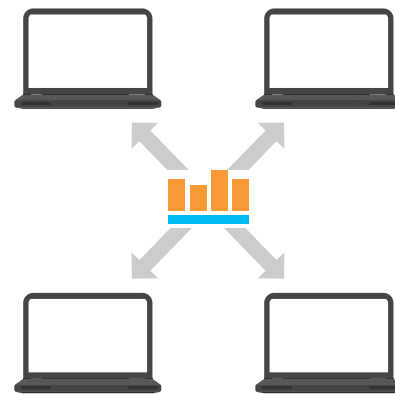


4. Digitize Delivery

Today's clients usually receive the results of an engagement in the form of a deliverable – usually a PowerPoint accompanied by a presentation that explains the findings and recommendations. Rarely do clients get to see the actual data that was used to reach the conclusions, and when they do, it is usually in the highly indigestible format of an Excel document (or a number of them).

While these types of deliverables may have been sufficient for clients in the past, many clients today want greater involvement in understanding and dissecting their data. Digitizing delivery, therefore, would involve allowing clients access to see their own data in a digital platform. The end goal of delivery is to explain the findings to the client in such a way that the client clearly understands the issues at

hand and the steps necessary to resolve them. If a consultant can accomplish this end by showing the living data to the client, using the actual dashboards and charts used to reach the conclusions, the client will undoubtedly have a far better understanding. Beyond allowing consultants to skip the final step of creating a PowerPoint (or at least reducing the necessity), consultants can give clients a much clearer view into their data.



5. Digitize Client Data

As we discussed above, digitization provides security to a firm's intellectual property; the same goes for client data. Many clients would likely be alarmed to know that their highly confidential data is stored in non-secure spreadsheets, and digitization better ensures the security of that data. Moreover, the storage of client data on individual hard drives and spreadsheets leaves its ultimate security *largely up to the person who possesses it*. Consultants can (and do) all too easily misplace client presentations or other data after an engagement's conclusion, and data is lost when employees leave or systems are updated. Firms need to create a traceable path of client data so they can ensure

its security, look credible for clients, and identify which employees worked on the respective projects.

But there are other advantages to digitizing client data, as well: collecting and storing client data in a digital platform will allow consultants to learn continually from the data and improve their practices. Just as consultants can use digitization to improve on their own questions and frameworks by observing how they perform over time, they can benchmark client data over time to better understand their clients. Thus they can build on their customer knowledge, better understanding the client as a whole by gaining an aggregate view of the client across all engagements. By creating these client benchmarks, consultants can give clients an enterprise-level view of their performance and help

them see how they improve over time, opening the door for opportunities to increase client stickiness and create recurring revenue. Consultants can also learn more about their clients' industries; they can easily compare one client's data to another to discover new connections in the data and better understand the problems facing the business world.

There are multitudes of ways that consultants can digitize their processes within these five broader categories – facilitating communication between leadership and employees, for example, is another way that consultants can improve the discovery process. The key to finding these opportunities is to look at every part of the business model with the goal of allowing the client to shape the experience.



CASE STUDY: TOP-TIER FIRM GOES DIGITAL

The best way to understand a concept is to see a concrete example. Many of our clients are pioneering the digital transformation of consulting, and their stories are exceptional. The following case study describes how a top-tier consulting firm used the 9Lenses digital consulting platform to drive digital transformation.

A top-tier consulting firm was losing proposals due to long discovery time

The senior manager of HCM strategy at a top-tier consulting firm noticed that the organization was losing business because clients were reluctant to pay the firm to spend 6-8 weeks with 3-4 consultants gathering data just to get to know the client before offering initial high-level solutions. Instead, clients wanted the consultants to come in and start providing value and solutions from day one.

Additionally, the firm lacked an easy means of conducting repeatable business. Their diagnostics were trapped in excel documents scattered throughout the organization, and they were embarrassed to

use their manual methods while advising clients to go digital.

Challenges:

- Lost proposals due to long discovery time
- Clients expected immediate ROI
- IP trapped in excel documents

Results:

- Established the firm as an innovative differentiator
- Brought value to the client from day one
- Able to share and improve on IP all in one platform

The firm needed digital transformation in order to differentiate

In order to differentiate from competition and attract new business, the firm needed a way to accelerate the client discovery process, reduce the time to value for the

“[9Lenses] was a clear differentiator in helping us win our work.”

Senior Manager of HR Strategy

client, and adopt a digital approach to creating and using content.

The firm turned to 9Lenses as a solution because it allowed them to use a differentiated, digital approach to creating, deploying, reusing, and improving on their IP, increasing efficiency and reducing the time needed for discovery. Client stakeholders were interviewed digitally on their own time, and IP was stored on a digital platform. The firm built a proposal around the 9Lenses solution while bidding at a net new client.

9Lenses was the key differentiator in winning a competitive bid with a new client

The client embraced the idea of digital engagement through 9Lenses, and the firm won the bid. The firm then built their diagnostic on the 9Lenses platform and ran it on the client, targeting 140 people across the globe in order to gain a thorough understanding of the client before the kick-off. In two weeks, they received a 76% response rate and collected detailed quantitative and qualitative data that iden-

tified pain points and immediate focus areas for the client. Using 9Lenses, the firm was able to deliver value to the client from the first day.

Additionally, the firm was positioned to continue business with the client. When the client saw the results, they wanted to run the interview on an additional population of 400 stakeholders, and the firm was able to do so immediately with no additional effort. Because their IP was housed in the platform, the firm was set to run the same engagement over again in order to capture additional insight or benchmark progress for the client. As a result of the value the firm brought to the client, the initial win turned into a \$3M follow-on engagement.

With 9Lenses, the firm improved margins by accomplishing more work in less time

Because the 9Lenses platform enabled the firm to accelerate client discovery, the time needed to learn the client's business was reduced from eight to three weeks, and fewer analysts were required. As a re-



sult, the firm was able to be more profitable, doing more work with fewer resources and raising its margins by 10%.

The firm used 9Lenses to house IP and create a reusable asset to reinforce their brand

Given the client's reaction and the differentiation that the 9Lenses platform provided, the firm decided to invest further. They set up a Center of Excellence to begin housing all IP on the 9Lenses platform instead of in individual spreadsheets and hard drives, rendering it secure and easily available to anyone in the firm so that IP was never duplicated or lost. Moreover, the firm gained the ability to improve on their IP over time, identifying the best questions and diagnostics to address client problems.

With 9Lenses, the firm made their IP a reusable asset that reinforced the brand. After the first engagement, they ran the same diagnostic on two other clients and began expanding into other practices. The 9Lenses platform allowed them to have a whole new conversation with clients, introducing a subscription model that allowed the firm to return to the client to measure progress and create recurring revenue streams.

With 9Lenses, the firm was able to achieve a new business model based on digital functionality that created a distinct point of differentiation, grew margins, brought huge value to the client, and promoted efficiency and security of data management throughout the firm.

“Let's expand that digital boundary so that we start doing our work in a digital way, just like we're telling our clients to do work in a digital way. We need to practice what we consult.”

Senior Manager of HR Strategy

Conclusion

Digital consulting is an emerging concept, but that doesn't mean consultants should hesitate to adopt it. The market is driving the consulting industry toward digitization, and firms that fail to go digital will soon find themselves behind the competition. That's why we created the 9Lenses digital consulting platform: to enable consultants to embrace digitization and stay ahead of the game.

Thanks for Reading!

Want to see how the **9Lenses Digital Consulting Platform** can help you take your practice digital?

Data Trends: Use the scorecards and heatmaps to identify alignment and misalignment, highs and lows, find the nuanced view and comments in Data Explorer.

Scorecard Heatmap Comparison Individuals Customize Columns ▾

Topic	Score	Alignment	Challenge	Strength	FA	MA	SA	Word Count
Strategic Vision	60%	51%	12%	10%	33%	0%	22%	217
Position in the Market	68%	72%	12%	7%	60%	40%	30%	346
Culture of Execution	65%	53%	10%	0%	22%	22%	22%	365
Elephants in the Room	52%	26%	10%	0%	44%	11%	11%	389
Leadership & Management	71%	73%	3%	13%	56%	11%	0%	391
Organizational Structure & People	80%	80%	0%	15%	0%	22%	11%	175
Financial Management	71%	70%	1%	0%	11%	0%	0%	35
Differentiation Strategy	60%	54%	6%	10%	11%	0%	0%	160
Understanding Customer Pain	58%	56%	15%	11%	30%	40%	30%	319

REQUEST A DEMO



To Learn More: www.9LENSES.com