

FOR: CIOs



# The Forrester Wave™: IT Organization Redesign Consultancies, Q4 2012

by Marc Cecere, November 7, 2012 | Updated: November 14, 2012

## KEY TAKEAWAYS

### **Consultancies Have Turned IT Redesigns Into Science**

Through repetition, methodologies that promulgate best practices, and reusable assets that accelerate key steps, transformations will not be easy, but they will be predictable and effective.

### **Leaders Are Differentiated By Completeness, Consistency And Creativity**

The Leaders in this Forrester Wave — Deloitte, KPMG, and Accenture — were distinguished by their consistently high track records, as well as methodologies and cultures that enable them to accommodate different client needs while leveraging their previous work.

### **Large Gaps In Consulting Expertise Have Been Filled**

The 2009 Forrester Wave on organizational design consultancies showed gaps in areas including change management and business/IT linkage. These gaps have been filled as consultancies have blended their methodologies and tools for business and IT transformations and built up assets in culture change, communications, and workforce transition.



## The Forrester Wave™: IT Organization Redesign Consultancies, Q4 2012

by [Marc Cecere](#)  
with [Matthew Brown](#) and Heather Belanger

### WHY READ THIS REPORT

New technologies, service offerings, business changes, and other factors are driving CIOs to change the structure, processes, governance, and culture of IT organizations. However, redesigns are an infrequent event, and few IT leaders have been through the process many times. As a result, many go to consultants to understand the design steps and to avoid the mistakes others have made. Fortunately, through the experience of consulting practitioners and their methodologies, tools, and support organizations, a number of leading consultancies have turned these projects into science rather than art. In Forrester's 28-criteria evaluation of IT organization redesign consultancies, we identified seven significant providers — Accenture, Capgemini, Cognizant, Deloitte, KPMG, PricewaterhouseCoopers (PwC), and Tata Consultancy Services (TCS) — and researched, analyzed, and scored them. This report details our findings about how each vendor meets our criteria and where they stand in relation to each other.

### Table Of Contents

- 2 The IT Organization Redesign Market**
  - The Major Consulting Firms Lead The IT Redesign Market
- 3 The IT Organization Redesign Evaluation Overview**
  - Forrester Evaluated The Key Capabilities Of Providers
  - Providers Have A Portfolio Of IT Redesign Projects
- 5 Deloitte, Accenture, and KPMG Lead The Pack**
- 8 Vendor Profiles**
- 9 Supplemental Material**

### Notes & Resources

Forrester evaluated IT organization redesign consultancies from January through August 2012. The primary interviews in this process were with the agencies evaluated: Accenture, Capgemini, Cognizant, Deloitte, KPMG, PwC, and TCS. See the Supplemental Material section for a detailed explanation of our process and of the Forrester Wave methodology.

### Related Research Documents

[The Forrester Wave™: Business Technology Transformation, Q3 2012](#)  
July 19, 2012

[The Forrester Wave™: IT Organization Redesign Consultancies, Q1 2009](#)  
January 8, 2009



## THE IT ORGANIZATION REDESIGN MARKET

Three years ago, in the first Forrester Wave on IT redesign consultancies, we stated that “organizational redesign is still largely an art form that is highly dependent on the consultants involved.”<sup>1</sup> For the market leaders, this has changed, as IT redesign has become more science than art. It is not necessarily easier, but the models, tools, and experience have made the steps and outcomes more repeatable and predictable.

### The Major Consulting Firms Lead The IT Redesign Market

A wide variety of consulting firms claim to redesign IT organizations. The seven we chose have disciplined, established practices with extensive supporting infrastructures. Many others, however, perform redesigns opportunistically with little track record or discipline. A rough breakdown of the providers in this space includes:

- **Major consulting firms provide a full-service option.** Several of the vendors included in our evaluation fall into this category. These are full-service consulting firms offering system integration, application deployment, management consulting, and in some cases, outsourcing.
- **Outsourcers bring process redesign skills and standardized frameworks.** Cognizant and TCS, two of the vendors in our evaluation, fall into this category, as do Infosys, Wipro, and others. These are traditional outsourcers with strong process redesign skills and an orientation toward standardization and frameworks. Gradually, many of these firms have moved upscale and now provide management consulting services.
- **Niche players offer IT redesign as an adjunct service.** Aon Hewitt (formerly Hewitt Associates) and Cutter Associates are examples of firms that provide IT organization redesign as a specialty or as an adjunct to other services.
- **Software vendors are adding redesign to application deployment methodologies.** Microsoft, Oracle, SAP, and others provide consulting either directly or through partners in conjunction with system deployments. Enterprise apps vendors, in particular, have found that the success of their products depends on cultural, organizational, and other areas of transformation that have not been their strong suit. As a result, some are adding IT redesign to their deployment methodologies.
- **Independent consultants and midsized firms vary in quality, scope, and focus.** The range in this bucket is enormous and extends from ex-CIOs who act as turnaround specialists to midsized consulting firms that include IT organization redesign as part of other engagements.

The design of an IT organization is tightly linked to the business model. For this reason, the Leaders in this space start with business drivers and constraints and use these in conjunction with IT factors to design the processes, structures, governance, roles, and culture of the IT organization. In many

cases, these IT transformations are part of a larger business transformation; therefore, all of these consultancies have strong capabilities to transform businesses as well.

Three years ago, there were significant limitations in what the consultancies could handle. With some exceptions, workforce transitions and culture change were not handled as well as areas such as process change or the design of the operating model. Today, the market leaders have integrated these areas with their core methodologies and are reusing them in the practices. However, there are still some holes in even the best practices. Only Accenture provided solid details on what new models for IT, such as a cloud model, might look like. Furthermore, few had good, concise definitions of how IT could enable innovation within the organization. And finally, there was a mixed bag in terms of how benchmarking data was being used. Even with these limitations, the offerings of many of the consultancies in this Forrester Wave are largely complete and show high value for the client's investment.

## THE IT ORGANIZATION REDESIGN EVALUATION OVERVIEW

To assess the state of the IT organization redesign market, Forrester evaluated the strengths and weaknesses of top IT redesign consultancies.

### Forrester Evaluated The Key Capabilities Of Providers

After examining past research, user need assessments, and vendor and expert interviews, we developed a set of evaluation criteria. We evaluated seven vendors against 28 criteria, which we grouped into three high-level buckets:

- **Current offering.** We evaluated the quality of firms' designs, completeness of their transition plans, and how well they support these engagements with software tools and reusable assets such as templates, job descriptions, and process flow charts. To determine the validity of vendor claims, we reviewed vendor-supplied engagement examples and customer references. In particular, we looked for strong methodologies, supported by reusable assets, and proof that these elements were being used appropriately (see Figure 1).
- **Strategy.** We evaluated how the firms manage their accounts, their use of data, ability to customize their engagements, practice direction, and cost to clients. As with the current offering, we reviewed appropriate use of methodologies and reusable assets.
- **Market presence.** We evaluated the number of client engagements, growth rate, consultants performing these engagements, and overall visibility in this area. Much of this information was self-reported.

Forrester added one more source of data to the above list: nonreference clients. Here, we gathered feedback on all of the vendors through our own project work, interviews, inquiries, and other research activities. In most cases, this client feedback was complemented by project deliverables we were allowed to review.

**Figure 1** Assessment Criteria For Evaluated Vendors

<b>Evaluation criteria for current offering</b>	<b>Criteria explanations</b>
Tools	What tools or engagement aids (custom-made or off-the-shelf) does the vendor use to optimize its ability to deliver business transformation consulting services?
Internal knowledge management, reuse, and collaboration platform	Does the vendor have one? What is it? How robust is it? How does the vendor ensure that its ability to leverage knowledge and IP is not just related to an individual consultant's own Rolodex, network, and hard drive?
Organizational change management capability and integration	How does the organizational change management practice integrate with all other practices within the vendor's organization?
Methodology	What specific methodologies does the vendor apply to help clients transform their businesses?
Change management methodologies	What are the vendor's methodologies for change management relating to culture change, incentives, retention, and dealing with change?
Metrics and benchmarking	What is the vendor's capability related to metrics and benchmarking related to a company's current IT and business performance?
The balance between technology consulting and business consulting revenues	What's the balance between the vendor's revenue that comes from pure technology implementation projects with no process or business consulting services component and the revenue from pure process or business consulting with no technology implementation component?
Vendor's vision	What are the vendor's business transformation imperatives today? How does the vendor help companies transform themselves? What are the most important aspects of such engagements?

80241

Source: Forrester Research, Inc.

### Providers Have A Portfolio Of IT Redesign Projects

Forrester included seven vendors in the assessment: Accenture, Capgemini, Cognizant, Deloitte, KPMG, PwC, and TCS. Each of these vendors has:

- A portfolio of representative IT organization redesign projects for enterprise-class clients.
- A methodology supported by reusable assets.
- At least three references.
- A reputation as a major global IT services company.

## DELOITTE, ACCENTURE, AND KPMG LEAD THE PACK

The evaluation uncovered a market in which (see Figure 2):

- **Deloitte, Accenture, and KPMG show excellence in nearly all areas of redesign.** These three are the global leaders in the redesign of IT shops, owing to their strong methodologies; experienced, highly trained consultants; quality of delivery; and ability to handle the most difficult business and IT problems. All three providers invest heavily in developing expertise and reusable assets for these engagements. And all three have filled in gaps uncovered in the Forrester Wave from three years ago.
- **Capgemini, PwC, and TCS are also in the Leader category but displayed some flaws.** Capgemini showed us some of the most brilliant and creative work we've seen. However, it often focuses so much on local needs that it fails to use the methodology and assets it has built up. In a few cases, this has resulted in quality gaps. PwC showed similar brilliance in several key areas and overall high quality, though it also had infrequent misses and suffered from inadequate proof of its capabilities. TCS showed us strong methodologies, supported by a wide range of tools, data, and support groups. Its completeness, depth, and breadth were a step below, and the execution of some of these engagements was not consistently as high.
- **Cognizant has all the required pieces but is not yet at the same level as the Leaders.** Though lacking the visibility of many of the others in this Forrester Wave, Cognizant showed us strong methodologies, supported by a wide range of tools, data, and support groups. However, the completeness, depth, and breadth were a step below the Leaders. Furthermore, Cognizant's track record of handling large, complex redesign projects was not yet there.

Figure 2 Forrester Wave™: IT Organization Redesign Consultancies, Q4 '12



Source: Forrester Research, Inc.

**Figure 2** Forrester Wave™: IT Organization Redesign Consultancies, Q4 '12 (Cont.)

	Forrester's Weighting	Accenture	Capgemini	Cognizant	Deloitte	KPMG	PwC	TCS
<b>CURRENT OFFERING</b>	50%	4.50	4.08	3.18	4.68	4.38	3.95	3.38
Alignment with the business	3%	5.00	4.00	3.00	5.00	5.00	4.00	3.00
Creation of business case	3%	5.00	4.00	3.00	5.00	5.00	4.00	3.00
Framework for the IT model	3%	5.00	3.00	3.00	4.00	4.00	4.00	3.00
Overall methodology	10%	4.00	4.00	4.00	5.00	5.00	4.00	3.00
Assessment	5%	4.00	5.00	3.00	5.00	5.00	5.00	4.00
Design of today's organizational models	15%	4.00	4.00	3.00	5.00	4.00	4.00	3.00
Design of future organizational models	15%	5.00	4.00	3.00	4.00	4.00	3.00	3.00
Processes	5%	5.00	4.00	4.00	4.00	5.00	4.00	5.00
Roles	5%	5.00	4.00	3.00	5.00	5.00	5.00	3.00
Governance	5%	5.00	5.00	3.00	5.00	5.00	4.00	3.00
Culture	10%	5.00	4.00	3.00	5.00	5.00	5.00	4.00
Innovation	10%	3.00	3.00	4.00	4.00	3.00	3.00	4.00
Communications	3%	5.00	4.00	4.00	5.00	5.00	4.00	4.00
Transition	10%	5.00	5.00	4.00	5.00	4.00	4.00	3.00
<b>STRATEGY</b>	50%	4.55	3.75	3.35	4.55	4.50	4.05	3.90
Administration and account management	5%	5.00	3.00	4.00	5.00	5.00	5.00	5.00
Focus	10%	5.00	4.00	3.00	4.00	5.00	4.00	4.00
Customization	10%	4.00	4.00	4.00	5.00	5.00	4.00	5.00
Cost to clients	10%	4.00	3.00	4.00	4.00	4.00	4.00	4.00
Reusable assets	15%	4.00	3.00	4.00	5.00	4.00	3.00	3.00
Proposals	5%	5.00	5.00	3.00	5.00	5.00	5.00	5.00
Partnerships	10%	5.00	4.00	3.00	5.00	5.00	4.00	4.00
Thought leadership	15%	5.00	4.00	3.00	4.00	4.00	4.00	3.00
Future plans	10%	5.00	4.00	4.00	5.00	5.00	4.00	4.00
Use of benchmark data	10%	4.00	4.00	3.00	4.00	4.00	5.00	4.00
<b>MARKET PRESENCE</b>	0%	5.00	3.50	2.50	5.00	4.25	4.00	2.50
Years of experience	25%	5.00	4.00	4.00	5.00	5.00	4.00	4.00
Consulting services	25%	5.00	2.00	2.00	5.00	3.00	4.00	1.00
IT reorganization projects	25%	5.00	4.00	2.00	5.00	5.00	5.00	3.00
External visibility	25%	5.00	4.00	2.00	5.00	4.00	3.00	2.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

## VENDOR PROFILES

Forester's analysis revealed the following about each of the vendors we reviewed:

- **Deloitte.** Deloitte has become the gold standard for redesigning IT organizations. And given the linkage between IT and business transformations, it's not surprising that Deloitte was a Leader in the Forrester Business Transformation Wave.<sup>2</sup> From its references and the many Deloitte clients we've interviewed over the past five years, it's extremely rare to hear significant criticism. Its methodology blends together business and IT elements and is well supported by an impressive array of reusable assets. Deloitte scales well from large complex projects to small assessments. Deliverables we've reviewed show that the firm exploits the business and IT knowledge it has built up over the years, presents it consistently, and is both efficient and predictable in how it executes these engagements.
- **Accenture.** Accenture prides itself on being able to handle the largest, most complex business and IT problems. Methodology, reusable assets, and knowledge of consultants are all outstanding. Furthermore, it seems ingrained in the Accenture culture to use and contribute to the knowledge base of the company, and we saw this in how the firm's example deliverables matched its redesign methodology. Accenture had the biggest base of successful engagement examples outside the reference accounts. In this base, we saw many examples of excellent work with only occasional complaints or quality lapses.
- **KPMG.** We were impressed by KPMG's progress since the original Forrester Wave. In the original Forrester Wave, it showed great strength in methodology and deliverables but didn't build on and reuse this knowledge in engagements — each one looked different. As demonstrated by information from references, example deliverables, and companies we contacted independently, this has changed. KPMG's strength in business factors, IT governance, culture change, and other areas is now being replicated across clients, and quality is consistently excellent. Furthermore, a number of recent acquisitions, such as Xantus and EquaTerra, appear to have expanded KPMG's existing capabilities into outsourcing advisory and European management consulting. While KPMG has been known for its tax and audit work, it is gaining recognition in the IT transformation consulting space. Furthermore, it is effectively using these better-known, traditional services to increase credibility and open doors in IT.
- **PwC.** PwC displayed all the pieces that we expect to see of a leading IT redesign consulting firm were there, though it didn't provide enough proof of consistently high-quality capabilities through references, non-reference clients, and example deliverables. In particular, we found that PwC had some of the most sophisticated and complete material in the areas of human capital management and the integration of IT with the business (something PwC calls the business/IT divide). Much of this thinking likely comes from its acquisitions of Saratoga and Diamond. Furthermore, the firm's internal benchmark data from more than 4,000 companies in areas of workforce productivity, labor costs, turnover, etc., is among the strongest in this field of vendors.

- **Capgemini.** Capgemini is a global consultancy with particular strength in Europe and employs a highly decentralized consulting style. As a result, it is very responsive to local needs but occasionally has problems assigning the right people to problems. Furthermore, there is less evidence of reuse with Capgemini than other firms. To address this, it has made logical steps such as the AIR (Accelerated IT Rationalization) methodology in conjunction with the AIR Gain Driver tool to develop recommendations for cost savings or value increases. It includes an impressive set of gain drivers (i.e., activities that reduce cost or increase value) and an equally impressive way of using these as part of its analysis with clients. The tool provides a mechanized, almost artificial-intelligence (AI) method of developing recommendations and, like AI, allows the firm to build its expertise into software. We expect that the increasing use of these assets over time will give Capgemini the ability to maintain local responsiveness while leveraging its global expertise.
- **TCS.** TCS is another consulting vendor with strong roots in outsourcing. It had a number of strengths including its use of industry frameworks such as TOGAF and CMMI; its evaluation and design work around IT processes; and its ability to help IT shops reduce costs, consolidate applications, or upgrade processes for a global organization. As with others, TCS has all the parts we would expect to see of a Leader in this area. Its methodology is logical and complete, and it has built up an assets library that includes an extensive array of reusable assets such as questionnaires, benchmark data, job descriptions, process models, and others. However, from the project work we reviewed, the results were mixed, and it appears that the reuse of its assets is not handled as well as the other Leaders in this Forrester Wave.
- **Cognizant.** Cognizant is the least visible of the vendors in this evaluation, and in general it is more focused on outsourcing and process design. From references, project work, and nonreference clients, we found the company to be especially strong with IT process design for operational processes associated with applications and infrastructure groups — a key part of an IT org redesign. But it still doesn't have the extensive, large-company/big-problem track record that Deloitte, KPMG, or Accenture has. Outside of these areas, we found Cognizant's "Future of Work" thought pieces to be extremely insightful, though there wasn't strong linkage between these and its designs for IT. Finally, though it's hard to make an apples-to-apples comparison of the costs of these engagements, Cognizant appears to be significantly lower in cost than the others. Given this and the comments from clients of previous engagements, the firm's services are a good value for the price.

## SUPPLEMENTAL MATERIAL

### Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed service evaluations and customizable rankings.

## Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.
- **Example deliverables.** Forrester reviewed examples of deliverables from client engagements.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.
- **Previous projects.** Forrester collected feedback from the clients of these consultancies. This information came to us from our own projects, interviews, and client inquiries.

## The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) service fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of service qualifications through a combination of questionnaires, document reviews, and/or discussions with client references. Furthermore, we also review feedback from clients we contact independently. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

## ENDNOTES

- <sup>1</sup> Forrester evaluated seven leading IT organization redesign consultancies against 40 evaluation criteria and found that all seven show an extremely high level of competence. Compared to most firms that do this, they are superior in their overall designs, connecting business needs to IT models, IT process definition, engagement preparation and account management, and flexibility of methodologies to accommodate different types of organizations. See the January 8, 2009, [“The Forrester Wave™: IT Organization Redesign Consultancies, Q1 2009”](#) report.
- <sup>2</sup> Today, business transformation is often about technology transformation. At the very least, business transformation is always technology-enabled, so what sort of consultants can best help clients envision and execute on their business transformation imperatives? See the July 19, 2012, [“The Forrester Wave™: Business Technology Transformation, Q3 2012”](#) report.

## About Forrester

A global research and advisory firm, Forrester inspires leaders, informs better decisions, and helps the world's top companies turn the complexity of change into business advantage. Our research-based insight and objective advice enable IT professionals to lead more successfully within IT and extend their impact beyond the traditional IT organization. Tailored to your individual role, our resources allow you to focus on important business issues — margin, speed, growth — first, technology second.

### FOR MORE INFORMATION

To find out how Forrester Research can help you be successful every day, please contact the office nearest you, or visit us at [www.forrester.com](http://www.forrester.com). For a complete list of worldwide locations, visit [www.forrester.com/about](http://www.forrester.com/about).

### CLIENT SUPPORT

For information on hard-copy or electronic reprints, please contact Client Support at +1 866.367.7378, +1 617.613.5730, or [clientsupport@forrester.com](mailto:clientsupport@forrester.com). We offer quantity discounts and special pricing for academic and nonprofit institutions.

---

## Forrester Focuses On CIOs

As a leader, you are responsible for managing today's competing demands on IT while setting strategy with business peers and transforming your organizations to drive business innovation. Forrester's subject-matter expertise and deep understanding of your role will help you create forward-thinking strategies; weigh opportunity against risk; justify decisions; and optimize your individual, team, and corporate performance.

« CAROL ITO, client persona representing CIOs

