

**Press Release - 10<sup>th</sup> July 2013**

**Buyers of management consultancy think better definition of their business needs would unlock a third more value from their spend**

- **Buyers and sellers collaborate to create new knowledge portal for best practice procurement**

Clearer definition of business needs and project scope could increase the value of management consultancy spend by 36%, say senior procurement professionals.

Though rated as the most important stage in a typical consulting project, consultancy buyers acknowledged there is room for improvement by giving themselves an average of six out of ten at 'accurately defining the initial business need'.

The research was conducted by The Consultancy Buyers Forum, a networking group sponsored by the Management Consultancies Association (MCA) that enables buyers and clients of consulting services to share knowledge and experience.

Respondents to the survey felt that by adopting a good practice approach to 'defining the initial business need' they could add a further 30% to the value of their organisation's consultancy spend. Considering that the average spend on management consultancy in the UK is £9 billion a year\*, and £1.6 billion from those surveyed, this provides a very compelling case for improved buying practices.

The survey showed that adherence to good practice guidelines across all key stages of the buying process (need definition, supplier selection and contracting, delivering outcomes and evaluating performance) could significantly improve the overall value that an organisation would realise from its consultancy expenditure.

For the past five months both buying and selling representatives within The Consultancy Buyers Forum have been working together to identify good procurement practice and today the Forum launches a knowledge portal that makes this output freely available to all consultancy buyers, whatever their role may be in the process. Its specific aim is to help maximise the value gained from the estimated £9 billion spent annually on management consultancy in the UK\*.

Alan Leaman, CEO of the Management Consultancies Association, says:  
"Independent research shows that, on average, clients believe that the benefits of a consulting project are worth around £6 for every £1 spent in fees. Our aim is to increase this further through improved understanding and approach on all sides. The aim of the Forum is to ensure that good practice becomes normal practice."

When asked about the most important stages of buying consultancy services the respondents ranked their organisations current performance in each area. The average scores out of ten (where 10 is outstanding and 0 is extremely poor) were:

- '6.63' for selection of the right consultancy supplier to deliver best value
- '6.08' for accurately defining the initial business need
- '6.06' for specifying the deliverable outcomes of the project
- '6.00' for monitoring the consultancy supplier to ensure the project remains on track
- '4.83' for evaluation of the overall value delivered by the project (e.g. in terms of ROI)
- '4.66' for evaluation of the suppliers' performance at the end of the project.

Alan Leaman comments: "Respondents are telling us that their performance at these critical moments during the buying process need improvement. Increasing buyers' knowledge and confidence in these areas is key to more successful partnerships and greater value for businesses buying consultancy."

Paul Vincent, Founder and Chair of The Consultancy Buyers Forum, comments, "Consultancy is a very different type of purchase to most, if not all, other spend areas and for a number of reasons there are times when the buying process can have a negative impact on the quality and value of the business outcomes achieved. Often this is caused by a lack of knowledge and understanding about what buying for value really means. By giving clients and procurement professionals access to the same good practice insight they are more likely to be in tune with each other and with consulting firms during the buying process and thereby deliver a better result all round for their organisations."

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For interviews with those quotes or more information please contact Rachel Phillips or Keith Millar at CHA PR on 020 7580 7025, or via email on [Rachel.phillips@chapr.co.uk](mailto:Rachel.phillips@chapr.co.uk) / [keith.millar@chapr.co.uk](mailto:keith.millar@chapr.co.uk)

### **Notes to editors:**

\*This is an industry estimate from the MCA and more details can be found at their [Industry Insight Centre](#).

The research was conducted online in June 2013. 61 people responded to the survey including senior procurement professionals and other clients of management consultancy. The companies surveyed spend a combined average of £1.6 billion a year on management consultancy.

### **The Consultancy Buyers Forum**

The Consultancy Buyers Forum is a networking group that enables buyers and clients of consulting services to share knowledge and experience with their peers and to learn from the good practice of others. Over 100 different buying organisations are already represented in the group, many from FTSE100-250 companies, as well as a number of organisations from the public sector. The Forum is sponsored by the Management Consultancies Association.

### **The Management Consultancies Association (MCA)**

The MCA is the representative body for management consultancy firms in the UK. Its mission is to promote the value of management consultancy for the economy and society as a whole. The MCA's [member companies](#) comprise around 60 per cent of the UK consulting industry, employ around 30,000 consultants and work with over 90 of the top FTSE 100 companies and almost all parts of the public sector. The UK consulting industry is amongst the best in the world and a vital part of the business landscape.