Magic Quadrant for Global Risk Management Consulting Services

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This new Magic Quadrant assesses the risk management consulting capabilities of seven global consulting firms. Buyers should use it to identify consultants to help develop their risk management and compliance programs and to assist with system implementation services.

**Market Definition/Description**

Gartner defines risk management (RM) consulting services as the bundle of expert-driven consulting services directed at helping enterprises mitigate the impact of uncertainty on business performance. Management consulting firms offer a variety of RM services, but this Magic Quadrant considers how well those services support corporate governance objectives and how well they integrate with compliance requirements.

Gartner defines RM as "the strategic discipline of assessing, prioritizing, monitoring and controlling the impact of uncertainty on objectives." Gartner's research focus for RM centers is on three dimensions — framework, metrics and systems (see "Risk Management Key Initiative Overview"). Each dimension represents a critical element of a company's RM key initiative, yet each dimension may be at various stages of development, depending on the maturity of the company's overall RM program.

Gartner’s evaluation of RM consulting service providers centers on the service providers’ ability to address Gartner’s three dimensions of RM through the following activities:

- **Framework**
  - Risk strategy — Development and implementation of an RM strategy that includes performance improvement through effective governance, as supported by RM and compliance programs
  - Risk communication and reporting — Advice on the best or most appropriate means to communicate an enterprise’s RM response to stakeholders
  - Risk assessment and response — Consultation on the identification, evaluation, prioritization and mitigation of risks related to RM program needs

- **Metrics**
- Risk monitoring and measurement — Identification and implementation of indicators that methodically track governance objectives, compliance with policies and decisions that are set through the governance process, risks to those objectives, and the effectiveness of risk mitigation and controls

- Systems
  - Governance, risk and compliance (GRC) technology — The design of a GRC architecture to ensure the fruition of the strategic advice provided by the consulting firm

While organizations can purchase RM consulting services for a single dimension, much of the current demand is on developing holistic, integrated approaches to RM in support of all three dimensions. This is a new Magic Quadrant, replacing the previous series of global RM consulting service MarketScopes ("MarketScope for Global Risk Management Consulting Services").
Magic Quadrant

Figure 1. Magic Quadrant for Global Risk Management Consulting Services

Source: Gartner (October 2014)
Vendor Strengths and Cautions

Accenture

Accenture is positioned in the Leaders quadrant. Its Risk Management Capability Framework encompasses strategy and governance, and it includes strategic and emerging risk, reputational risk, risk culture, and risk modeling. Accenture’s information security practice works with its RM practice on helping clients with its cyber-risk framework. Accenture’s risk practice is focused on developing risk consulting solutions in the banking and capital markets, insurance, healthcare, life sciences, energy and utilities, and public-sector verticals.

Strengths

- Market understanding — Accenture continues to build and improve on a portfolio of strategic clients, as well as board-level and senior executive relationships since its RM practice inception in 2010. Several clients commended Accenture for listening to customers’ RM challenges and delivering solid outcomes by anticipating their needs.

- Vertical/industry strategy — Accenture is strong in its vertical strategy. Its RM practice not only has built strong competencies and frameworks in Accenture’s focused industries, but also has strengthened relationships with alliances and partners to deliver new integrated solutions in the banking and capital markets.

- Geographic strategy — Accenture’s RM practice covers all major geographic regions with its staff of more than 1,000 RM consultants. The firm also has demonstrated its ability to leverage its firmwide management consulting resources where needed.

- Operations — The RM practice leverages its global delivery network, risk analytics centers of excellence (COEs; for example, Accenture Analytics Innovation Center [AAIC]), client innovation centers, technology labs, industry COEs and industry solution centers.

Cautions

- Product or service — Several client references noted the lack of expertise beyond a few key members of the team, while the rest of the members were junior consultants requiring on-the-job training.

- Sales strategy — Price versus value received is an area to improve as some Accenture clients cited that Accenture is expensive.

Crowe Horwath Global Risk Consulting

Crowe Horwath Global Risk Consulting is positioned in the Challengers quadrant. It has a global presence, with concentrations of risk practitioners in the U.S., Canada, China, France, the U.K., Japan, Brazil and Germany. The firm’s approach to RM consulting is not only to respond to immediate risk and compliance issues, but also to address the sustainability of the client’s RM approach using Crowe’s Sustainable Risk Management (SRM) Framework. This framework provides a road map for clients to create an RM infrastructure to support their enterprise, culture and change.
management requirements, so that they can address risks as their strategy evolves. Crowe’s practice focuses on the financial services, healthcare and manufacturing industries.

**Strengths**

- **Market understanding** — Crowe demonstrates a strong understanding of its clients' needs, particularly as Crowe’s practice relates to regulatory compliance. Client references provided consistent positive feedback on the firm's strong understanding of regulatory requirements in areas such as the U.S. Bank Secrecy Act (BSA) and Anti-money Laundering (AML) provisions. Furthermore, the firm sets aside a percentage of its annual revenue for continuously funding new solutions.

- **Product or service** — The firm built partnerships in the AML and BSA spaces with International Management Advisory Group (IMAG), and it recently acquired Chan Healthcare, which provides risk services to the healthcare sector. Crowe clients are also pleased by the consultant’s communication skills and its pragmatic approach.

- **Customer experience** — Being smaller in scale compared with its competitive peers, Crowe is able to be agile and flexible, and it is quick to respond to clients' contracting terms and constant changes in project scope. Clients of Crowe repeatedly use the words "flexible" and "responsive" to describe the consulting firm.

- **Operations** — Crowe leverages the Crowe Center for Cybersecurity and its global COEs with competency centers for business risk, technology risk and regulatory compliance risk. Each center has defined leadership, business plans, key performance measures, and processes for thought leadership, innovation and service delivery.

**Cautions**

- **Product or service and vertical strategy** — Although Crowe has demonstrated deep regulatory compliance and audit capabilities in industries such as financial services, healthcare and manufacturing, the company has limited broader-based RM expertise cross-industry. In addition, several client references cited that Crowe lacked industry-specific knowledge beyond compliance and audit-related activities.

- **Market responsiveness/record** — Crowe's clear focus on regulatory compliance and auditing can inhibit its ability to meet the broader RM challenges faced by large global corporations. Some Crowe clients cited weakness in the company’s risk assessment tool and associated framework in addressing the full component of risks faced by the client’s enterprise.

- **Sales strategy** — Some Crowe client references noted that Crowe's pricing structure can be high and less flexible when compared with the company’s competitors.

- **Operations** — Some Crowe clients perceived that the rotation and attrition of staff have impacted the quality of consulting teams.
Deloitte

Deloitte is positioned in the Leaders quadrant. Deloitte is a global accounting, tax, risk, consulting and advisory firm with a broad IT services portfolio. Its Risk Transformation Framework includes strategy, operating model, governance, culture, technology and infrastructure risks, as well as encompasses cyber-risk services and a new crisis management solution. Deloitte integrated its risk and security capabilities into one RM practice a few years ago.

Strengths

- Market responsiveness — Deloitte is usually quick to adapt and adjust to market conditions when compared with its peers. The company has strong strategic alliances and continues to close gaps of capabilities through working with organizations such as Kaggle (a data analytics firm) and Singularity University.

- Vertical/industry strategy — Deloitte has invested in building capabilities in highly regulated industries, such as financial services, consumer, energy and resources, healthcare, life sciences, and the public sector, as well as for supply-chain-dependent enterprises.

- Operations — Deloitte leverages its Center for Corporate Governance, its GRC COEs, and its specialist and vertical-led COEs, such as its Center for Risk Modeling and Simulation. These centers encapsulate digital studios, security and forensics labs, analytics labs (for example, Highly Immersive Visual Environment [HIVE]), and Greenhouses across the world.

- Product or service — Clients recognize Deloitte’s strengths in thought leadership, RM experience and brand reputation. Deloitte also has chief risk officer (CRO) and chief information security officer (CISO) outreach programs through its risk academy education programs within its global leadership center, Deloitte University.

Caution

- Customer experience — Some Deloitte clients identified communication challenges with junior consultants who are developing consulting skill sets. Some Deloitte clients experienced unevenness in the skill levels of these consultants whose depth of knowledge was not equally strong across topics in a team.

EY

EY is positioned in the Leaders quadrant. Its RM approach focuses on transforming the risk and control functions by using an integrated "risk transformation" methodology that includes GRC technology delivery and enterprise GRC technology transformation.

Strengths

- Product or service — The firm continues to invest in and build its partner ecosystem, including with major software vendors (such as SAP, IBM and Oracle), GRC and security software vendors (such as RSA [The Security Division of EMC], Symantec, Guidewire, Cura Software,
BlackLine, Websense, Saviynt, Damballa, SailPoint, McAfee [an Intel company] and Mandiant, and content providers (such as Thomson Reuters and Cloud Security Alliance).

- **Market understanding** — EY’s clients commended EY for both its tailored approach to meet clients’ needs and its focus on providing a new and pragmatic approach.
- **Vertical/industry strategy** — EY has invested in risk-based analytics solutions across its key verticals of financial services, life sciences, healthcare, power and utilities, oil and gas, and consumer products.
- **Operations** — EY has established COEs to develop innovative approaches to integrate risk and performance models. These include its Global Family Business COE, Global Talent Hub and Emerging Markets Committee. EY has integrated its risk assurance, risk transformation and security groups into one risk management practice, reducing duplication of risk resource across the firm and leveraging relevant skills from adjacent practices such as finance.

**Cautions**

- **Geographic strategy** — EY continues to strengthen its integration of firms across geographic boundaries. However, client feedback indicates fragmentation in EY’s ability to deliver local resources at the project engagement level.
- **Product or service** — Some clients experienced inconsistencies in the skills of the consultants, whereby senior-level consultants were well-leveraged and appreciated for their insights, but the junior-level resources were not able to contribute as much.

**KPMG**

KPMG is positioned in the Leaders quadrant. Its Value Delivery Framework supports disciplines related to risk strategy and appetite, risk governance, risk culture, risk assessment and measurement, risk monitoring, and risk reporting, including a focus on data and analytics and technology enablement.

**Strengths**

- **Market understanding** — Through KPMG Capital and KPMG’s innovation solutions drive, the firm has invested in and developed new risk solutions. KPMG also developed integrated GRC solutions, cyber information security, risk data and analytics, and regulatory compliance. KPMG clients cited examples of KPMG’s pragmatism and practicality in the company’s tailored approach to KPMG’s clients’ needs. In addition, KPMG has integrated human resources and change management approaches to create more-sustainable solutions.
- **Vertical/industry strategy** — KPMG’s risk practice is focused, strong and invested in competencies across verticals such as healthcare, financial services, energy, manufacturing and government. Clients also validated the firm’s depth of knowledge as a result of its industry benchmarking.
Customer experience — KPMG's clients are pleased with their experience with KPMG's consulting competencies, including communication and project management, technical capabilities and overall flexibility in meeting its clients' needs.

Operations — KPMG makes use of its global Service Networks, solutions and industry-focused COEs to provide risk insight to clients across the globe. KPMG integrated its accounting advisory, forensics, internal audit, GRC, enterprise RM, regulatory, financial RM and IT advisory service lines into one RM practice, enabling synergy and end-to-end solution delivery under one senior leadership team.

Cautions

Operations and product/or service — Some KPMG clients cited inconsistent experiences, such as the uneven distribution of experience and consulting skills by level across the teams, limited resource capacity at the more senior levels and the rotation of staff.

Protiviti

Protiviti is positioned in the Challengers quadrant. Its RM consulting approach follows an assess, design and build life cycle for all engagements. Protiviti provides several frameworks and tools to support its methodology, such as the Protiviti Risk Model, Capability Maturity Model and Protiviti Risk Index. Protiviti has offices in 25 major cities globally, with eight cities managed by member firms.

Strengths

Sales strategy — Protiviti’s relatively smaller size does provide the firm an agile advantage by allowing consultants flexibility. Clients have repeatedly used the word "flexible" to describe Protiviti’s management on scope changes.

Customer experience — Protiviti’s clients are pleased with experiences they had with the firm’s consulting competencies in project management skills and relationships at senior levels.

Market understanding — Protiviti sets aside a percentage of its annual revenue for the funding of new solutions. This percentage continues to increase yearly, with a focus on analytics, SharePoint solutions and IT security. The Protiviti Solutions Methodology is a delivery mechanism that requires all of Protiviti’s engagement teams to plan, envision and prove value on client projects.

Operations — Protiviti leverages on its Protiviti Knowledge and Innovation Center in India (more than 200 employees strong) for offshore research and delivery support and its solution-focused COEs. Protiviti safeguards its internal skills and talent with a strong focus on employee retention programs.

Cautions

Geographic strategy — Some clients have cited the inconsistent experiences they have had when working with Protiviti outside the countries where Protiviti has a major presence.
Offering strategy and product or service — Protiviti continues to be viewed by clients and prospects as an internal audit service provider rather than a full-scope RM consulting provider. While internal audit is a core focus of the firm, Protiviti must work harder to market its additional offerings beyond control and compliance solutions to compete with its peers.

PwC

PwC is positioned in the Leaders quadrant. It describes its approach to RM consulting as delivering change across three main areas — business platform, business management and business strategy. The firm's RM approach is its Global Risk Methodology.

Strengths

- Market understanding — The firm’s RM practice continues to invest in acquisitions, its most recent being Booz & Co for strategy and Minnesota Privacy Consultants for GRC. PwC continues to invest in analytics solutions, such as the Global Growth Radar and Experience Navigator, and in partnerships, such as with Ridge-Schmidt Cyber in cybersecurity.

- Offering strategy — PwC has a large risk assurance practice that works with the RM advisory practice group. Its risk assurance practice has an advanced risk and analytics team that produces risk controls, forensics, AML and anti-fraud solutions for assurance clients. PwC continues to drive thought leadership by serving as a lead in cross-industry initiatives, such as the COSO Internal Control - Integrated Framework.

- Customer experience — Clients are pleased with the experience and track record they gained from PwC’s consultants' project management skills, technical capabilities and subject matter expertise.

- Operations — PwC leverages its proprietary offerings, such as Risk and Opportunity Assessment Dashboard (ROAD) and Strategy and Risk Institute (SRI); its delivery models, such as analytics hubs and thought leadership research; and its interaction with the World Economic Forum.

Cautions

- Sales strategy — The range and flexibility of pricing are limited, according to some PwC client references.

- Product or service — Some PwC clients also noted inconsistencies with depth of experience and effectiveness with the consulting team members and a heavier reliance on the senior consultants. Some PwC clients also pointed to the potential for the consultants to be rigid in their thinking by being too set on a given idea or approach to solving a challenge.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or
MarketScope may change over time. A vendor’s appearance in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

**Added**
This is a new Magic Quadrant.

**Dropped**
This is a new Magic Quadrant.

### Inclusion and Exclusion Criteria

This research evaluates service providers only on their project-based RM consulting services. These projects lead with and encompass predominantly RM approaches, and they do not contain a larger element of IT RM. Gartner needs to make this distinction clear to evaluate consultants on their RM abilities, although IT RM may be a component in the project. These consultants should have the following:

- Evidence of strategies and methodologies that have been applied in client engagements, including the integration of RM and compliance objectives
- At least five to nine referenceable RM consulting service deals
- At least $200 million in annual revenue from RM consulting services
- A global company with a commitment to the global RM consulting marketplace, as expressed through:
  - Ability to service clients globally, specifically with market share and clients within three major regions (for example, North America, Western Europe, Latin America, Japan or Asia/Pacific)
  - Having a physical RM consulting practice present on-site in more than three major regions (for example, North America, Western Europe, Latin America, Japan or Asia/Pacific)

Consultants were excluded if they did not meet the functional or revenue criteria, or they did not have adequate client references.

This Magic Quadrant will include vendors only in a given sector (that is, the consulting services market, which begins with the assess phase and leads into the design and build phase of a life cycle perspective). Companies we considered for evaluation in this Magic Quadrant are those that act as advisors; they may also provide implementation services that encompass most or all levels of a solution. Furthermore, providers are evaluated in more detail using a combination of quantitative and qualitative criteria. Note that vendors cannot elect to be excluded from a Magic Quadrant, assuming they meet the inclusion criteria.
Evaluation Criteria

Ability to Execute

Gartner evaluates RM consultants on their Ability to Execute and their Completeness of Vision. When the two sets of criteria are evaluated together, the resulting analysis provides a view of how well the provider performs a spectrum of services compared with its peers and how well it is positioned for the future.

For more information on Gartner's Magic Quadrant research methodology, refer to our Research Methodologies and "How Markets and Vendors Are Evaluated in Gartner Magic Quandrants."

Gartner analysts evaluate RM consultants on the quality, efficacy and ability to respond to changes according to the market directions. Gartner also evaluates RM consultants on the lasting experience of the processes, systems, methods or procedures that enable RM consultants to be competitive, efficient and effective, and to positively impact revenue, retention and reputation. Ultimately, RM consultants are judged on their ability and success in capitalizing on their vision.

Product or Service: This criterion assesses core services that are offered by the provider that competes in or serves the defined market. This includes current service capabilities, quality, skills, and so on. Subcategories include:

- Breadth and depth of capabilities in the full portfolio of RM consulting services.
- Capabilities in RM, business/process consulting and industry knowledge.
- Capabilities in other key delivery success factors: project management, change management, communication, partners and so on. This includes the ways that clients receive support in RM change management and the associated technical capabilities, to ensure that RM methods and practices are fully embedded within their business.
- Demonstrated track record in successfully executing large complex global engagements.

Operations: This criterion assesses the ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, ability to manage utilization and attrition, tools, methodologies, knowledge management systems, training programs, global presence, global delivery centers, COEs, and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Market Responsiveness/Track Record: This criterion evaluates the consultant's ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customers' needs evolve and market dynamics change. This criterion also considers the consultant's history of responsiveness. This criterion will include a demonstrated commitment to advancing RM improvements through research activities, thought leadership programs, industrywide forums, regular methodology and framework updates, professional training services and events, and so on.
Customer Experience: This criterion evaluates the relationships, expertise and services/programs that enable clients to successfully adopt RM methods and practices. This criterion includes ancillary tools, customer support programs (and their quality), the availability of user groups, partners, SLAs, the qualitative working experience with the client, the seamless collaboration of internal business units with the client, and so on.

Table 1. Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Product or Service</td>
<td>Medium</td>
</tr>
<tr>
<td>Overall Viability</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Sales Execution/Pricing</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Market Responsiveness/Record</td>
<td>High</td>
</tr>
<tr>
<td>Marketing Execution</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>High</td>
</tr>
<tr>
<td>Operations</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Source: Gartner (October 2014)

Completeness of Vision

Gartner analysts evaluate RM consultants on their ability to convincingly articulate logical statements about current and future market direction, innovation, customer needs, and competitive forces and how well they map to the Gartner position. Ultimately, RM consultants are rated on their understanding of how market forces can be exploited to create opportunity for the provider.

Market Understanding: This criterion assesses the consultant’s ability to understand buyers' needs and translate these into RM consulting services and deliverables. This criterion includes the consultant’s ability to provide a sustainable RM solution for the client. For this category, consultants demonstrate three factors: that they have the strongest vision; that they can listen to and understand their buyers' needs; and that they can shape or enhance those needs with their vision.

Sales Strategy: This criterion evaluates the consultant's capabilities in all presales activities. This criterion includes the consultant’s ability to define the appropriate scope and nature of the effort needed to satisfy the client’s needs. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel, including partners.

Offering (Service) Strategy: This criterion considers a consultant’s approach to service delivery that emphasizes differentiation, thought leadership, methodology and business understanding as they map to current and future requirements. This includes having a dedicated RM practice, or demonstrating a proven service offering with an RM focus and approach. Consultants'
methodologies should be able to demonstrate: (1) how RM is managed across the enterprise; and (2) how RM links directly to the client's business outcome.

**Vertical/Industry Strategy:** This criterion assesses the consultant's strategy for developing, directing and deploying the resources, skills and offerings needed to provide a suitable depth of experience and knowledge within individual market segments, including vertical industry solutions.

**Geographic Strategy:** This criterion assesses the consultant's strategy for developing, directing and deploying on-site resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for those geographies and markets. It includes the ongoing training of RM staff, both on-site and off-site.

**Table 2. Completeness of Vision Evaluation Criteria**

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Understanding</td>
<td>High</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Sales Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Offering (Service) Strategy</td>
<td>Medium</td>
</tr>
<tr>
<td>Business Model</td>
<td>Not Rated</td>
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<tr>
<td>Vertical/Industry Strategy</td>
<td>Low</td>
</tr>
<tr>
<td>Innovation</td>
<td>Not Rated</td>
</tr>
<tr>
<td>Geographic Strategy</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Gartner (October 2014)

**Quadrant Descriptions**

**Leaders**

Leaders demonstrate strong performance, gaining traction and mind share in the market with a clear vision and direction of market-building competencies to sustain their leadership position in this space. The consultants in this quadrant generally have global accounts and are globally interlinked, and they share superior market understanding, vision, holistic approaches, and comprehensive and consistent methodologies and road maps. They have extensive geographic reach to support their on-site clients and have globally well-communicated, coherent and well-marketed sales offerings. They are also in the position to advise risk regulators. Furthermore, they are well-supported by tools and methodologies.
Challengers

Challengers have a solid execution and perform well for the portfolio of RM consulting work selected, but they have a less-defined view of market direction or geographical presence. These service providers are the "up and comers" of the future. As consulting providers, these firms generally have some gaps in service offering or other capabilities, such as innovation or geographic presence. Furthermore, the firms must invest in strong marketing activities to communicate their abilities.

Visionaries

Visionaries have a clear vision of strategic market direction and are focused on preparing for that, especially with innovative technology solutions, but they still can improve the scale and scope of service delivery. For consultants in this quadrant, attention and accountability to executing visionary service and delivery plans will help them capitalize on their vision with new prospects.

Niche Players

Consultants in this quadrant focus on a few segments of the market, such as certain geographies, vertical industries, client segments or functional areas. Their Ability to Execute is limited to these focus areas and, therefore, the provider is assessed accordingly. Their ability to innovate is also affected by this narrow focus.

Context

This is the first Magic Quadrant for the global RM consulting service landscape. As with all of Gartner’s Magic Quadrants, the vendor’s position in the Magic Quadrant should not be viewed as good or bad. It is important to note that the players selected in this Magic Quadrant have global delivery models and provide a depth of RM consulting service offerings. The RM consulting landscape is made up of hundreds of consultants from different disciplines — consultants from accounting and finance, GRC software, technology, and vertical-specific disciplines — advising customers on RM issues (for more information, see "Market Trends: Providers Must Innovate as Rivals Move In on the Risk Management Consulting Market"). Needless to say, the seven service providers included in this Magic Quadrant make up a small fraction of the hundreds of consultants that advise on RM.

Many capable providers are not included in this study due to our inclusion criteria and methodology. These include (but are not limited to) IBM, McKinsey & Co., CSC, Grant Thornton, Navigant, Tata Consultancy Services (TCS), Wipro, Infosys, Oliver Wyman, SAP, Aon, Marsh Risk Consulting and Capgemini. Gartner’s Market Guides, Cool Vendors and Hype Cycle reports feature midsize to smaller and/or niche RM business consulting providers that may be, for example, a better fit for specific RM consulting projects, resourcing objectives, project sizes and so forth.

This Magic Quadrant analyzes the largest providers of RM consulting services. The relative positioning of vendors in this Magic Quadrant is based on Gartner’s standard Magic Quadrant methodology. We analyze consulting projects that typically require a blend of RM and cyber-risk
competencies; process, industry and GRC technical capabilities; and program and project management skills.

When considering consulting partners for a request for information or request for proposal, clients are advised not to select service providers simply in the Leaders quadrant. All selection requirements are enterprise-specific; consequently, vendors in the Challengers, Visionaries or Niche Players quadrants may prove to be more appropriate for a prospect’s engagement. For example, each provider will have a different deal sweet spot, reflecting the scale of deals in which it performs well, its culture and industry coverage, as well as the maturity of service provision that its clients value (see "Deal 'Sweet Spot' Analysis Accelerates Service Provider Evaluation and Selection"). Additionally, clients should not disqualify any potential competitors because the inclusion criteria in the Magic Quadrant result in the analysis of the most established providers in the RM consulting market. Other IT services providers not evaluated in this Magic Quadrant may present better alternatives for your business requirements. A Gartner analyst can help with a shortlist of the most suitable candidates based on client requirements.

This Magic Quadrant evaluates only the risk management consulting capabilities required for discrete project work and excludes multiyear contractual engagements typical of outsourcing agreements.

For this document, we obtained 55 references (who participated in a Web survey, as well as additional follow-up phone interviews) to the seven leading RM consultants to supplement our views based on daily interaction with Gartner clients and vendors.

Market Overview

Buyers of large organizations who invest in RM consulting services are discerning, well-informed, mature and sophisticated. Undoubtedly, strong and deep risk consulting and vertical expertise and thought leadership remain imperatives to hire a consultant for this space. Gartner’s insights — that business risk consulting buyers do not buy into a consulting firm just because of RM capabilities and size alone — continue to be validated because nearly all the consultants in this Magic Quadrant are relatively large (we estimate consultants in this Magic Quadrant to have RM revenue of between $390 million and $3 billion), or they have nearly the same set of offerings.

Business consultants buy into a consulting firm because of "soft" consulting skills:

- Consultants listen to their client’s problems/needs and are flexible to adapt without forcing methodologies and additional suggestions onto a client; hence, they offer pragmatic approaches.
- Consultants are familiar and know their client’s business environment.
- The consulting team and the client’s team have a chemistry and a strong cultural fit.
- The lead consultant is committed, accountable, deeply experienced and known to the client.
Clients are appearing to be suffering fatigue from "junior consultant syndrome," which is a classic conundrum of the larger consulting firms: Young consultants are being trained on-site at the client's location. However, some clients pointed out that these consultants were too focused in terms of learning on the job that they did not appear to be helping on the projects. Most clients understand the need for the presence of the young and inexperienced teams, but interactions should be reduced and managed between the junior team and the client; otherwise, clients will continue to feel they are paying high prices to provide a training ground for consultants. With more global centers of competencies (for example, COEs) being set up by consulting firms, Gartner hopes to see this challenge reduced.

The RM flux continues through added dimensions, such as cyber risk, information security, social media, culture, crisis management and sustainability risk. Increasingly, managing risk is no longer just adherence to governance, and the management of controls, software and devices; rather, it entails understanding and influencing the risk culture and behavior of the employees within the organization to protect a company's assets and reputation. Risk culture, cyber risks and information security are not new disciplines that consultants offer, and these disciplines are often embedded in the consultants' methodologies, but these areas are highly emphasized today by the marketplace. All the consultants in this Magic Quadrant, through case studies and methodologies, have demonstrated that they are equipped to meet these demands.

Ever-changing and new country-level risk regulations constantly challenge the consultants in this Magic Quadrant. Local expertise for new regulations is still lacking, and the global consultants must be able to quickly and seamlessly dig deep into the global firm's overseas knowledge recesses to pull together and adapt a solution for local clients.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"How Markets and Vendors Are Evaluated in Gartner Magic Quadrants"

"How to Use Pace Layering to Build a GRC Application Strategy"

"Agenda Overview for Security and Risk Management Leaders, 2014"

"Cool Vendors in Risk Management, 2014"

"Hype Cycle for Governance, Risk and Compliance Technologies, 2014"

"Risk Management Key Initiative Overview"

Evidence

Evaluation in this Magic Quadrant is informed by:

- Primary research
Face-to-face and phone briefings with the seven participating service providers in the Magic Quadrant.

Gartner inquiries and discussions conducted in the past 12 months with service providers and user organization clients.

Discussions with Gartner clients that generously provided impartial feedback on their service providers.

Feedback from 55 client references, submitted by the participating service providers, using online surveys and follow-up interviews with a subset of these references.

A detailed vendor survey covering revenue, staffing, geographic capabilities, industry and process assets, partnerships, joint initiatives, investments and other relevant information.

Secondary research

Press releases and publicly available information, including company websites and financial reports.

Other Gartner analysts

This document was peer-reviewed by 12 other Gartner analysts; their views and comments were taken into account. In addition, this document was presented and defended at the June 2014 Gartner Application Services Research Community session as well as the July 2014 Gartner Risk Management Research Community session.

Evaluation Criteria Definitions

**Ability to Execute**

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization’s financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization’s portfolio of products.

**Sales Execution/Pricing:** The vendor’s capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer
needs evolve and market dynamics change. This criterion also considers the vendor’s history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization’s message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

**Completeness of Vision**

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor’s strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.
**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.