# 9LENSES

DIAGNOSTIC TRANSFORMATION PLAYBOOK

EVEN PROFESSIONALS NEED A COACH

Much has been said about the future of the consulting industry. Digital platforms and tools have an opportunity to change the way firms operate for the better. Source Global Research has outlined the opportunity for traditional consulting to move to a more digital, asset-based approach. However, in our analysis of 96 global consulting leaders, we found that respondents self-assessed only moderate digital maturity.
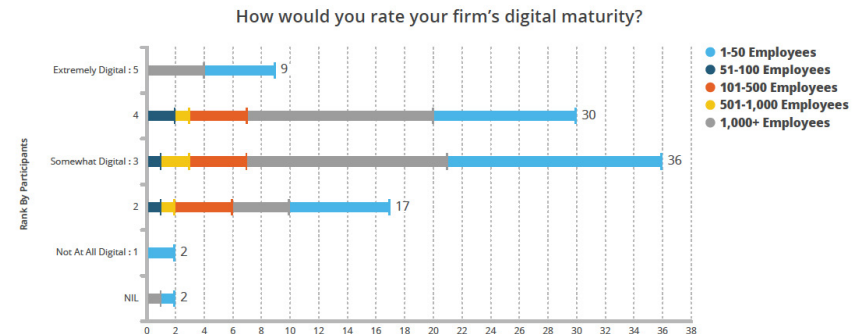
Clearly, consultants have more work to keep pace with the digital transformation services and thought leadership they are proving to clients.

Consulting in a box: Assets and productisation
Consulting is a people business, but for how much longer?
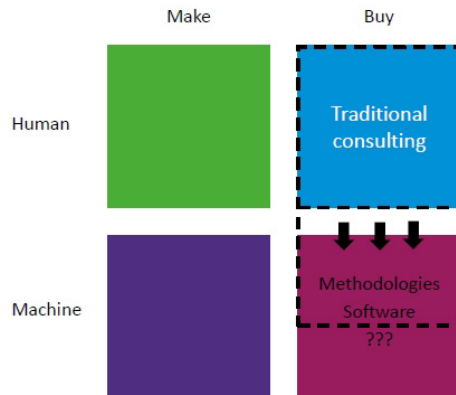

Low Consulting Firm Digital Maturity

WHERE TO BEGIN GOING DIGITAL?

We asked consultants what the primary challenges were to taking their process digital. Three main areas stood out in 2017:
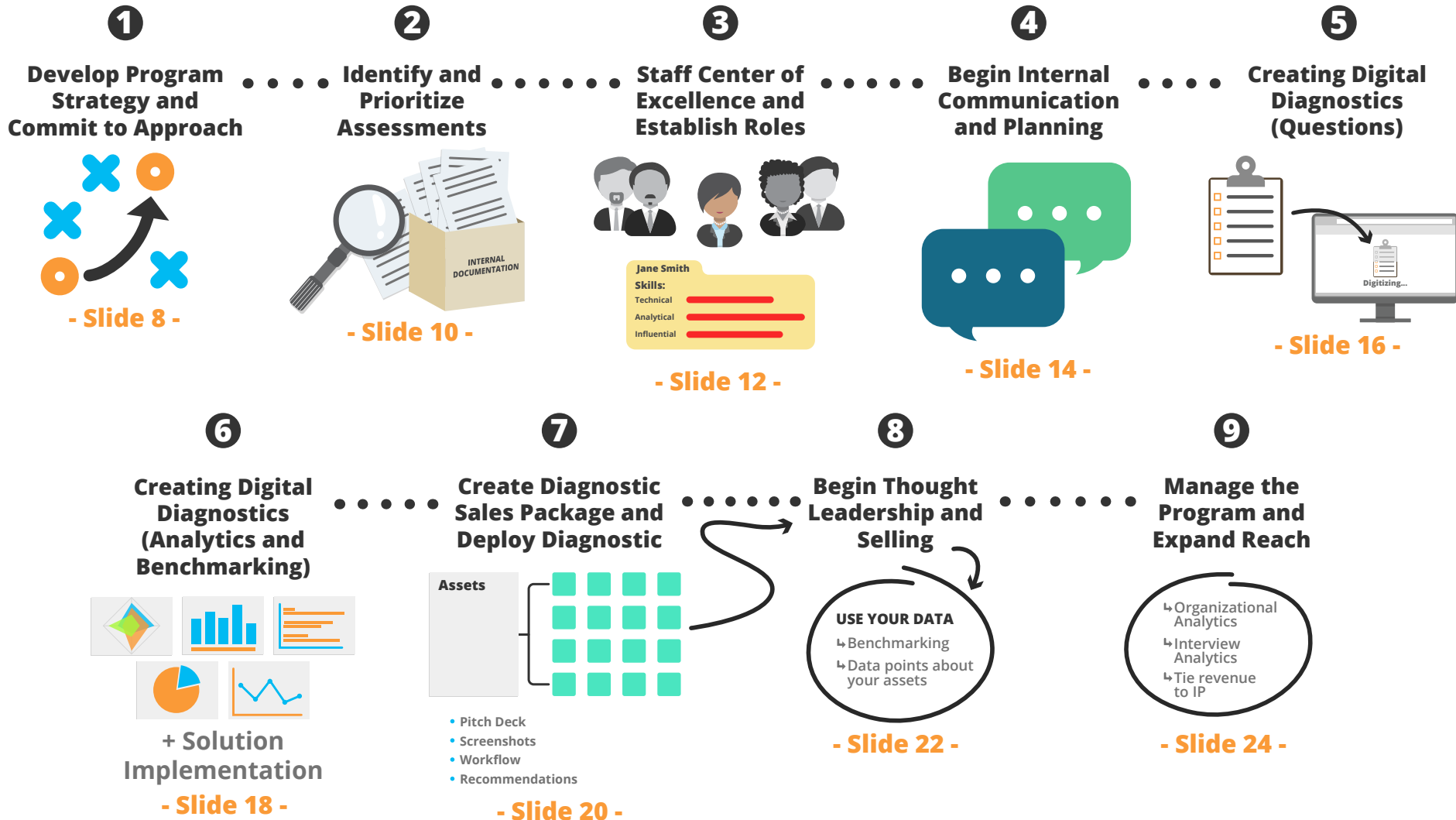
1. Lack of technology infrastructure

2. Lack of quality data

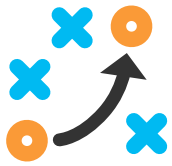**3.** Lack of digital direction

Perhaps another important note from the data below; senior management is now more interested in taking the consulting process digital than last year. The added urgency that management will provide should compel consultants to begin exploring change.

Which of the following are challenges you face in taking your consulting process digital?
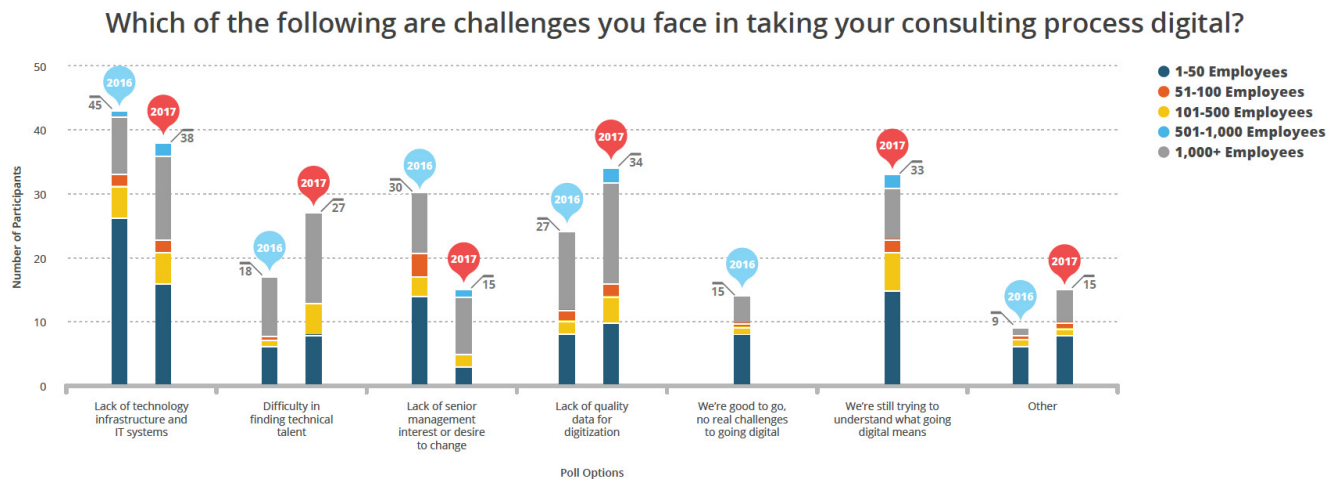
When we saw these findings we knew there was a market for a digital, data-driven approach to business problem identification or business diagnostics. It is technology and data that are driving most of the innovation that is disrupting the business world. We also knew that we needed to provide the roadmap and expertise to help consultants realize the benefits of a digital diagnostic approach. The pages that follow represent our digital transformation guidance.

A 9 STEP PROCESS FOR TRANSFORMING YOUR BUSINESS DIAGNOSTICS AND PROBLEM IDENTIFICATION

❶ Develop Program Strategy and Commit to Approach

- Slide 8 -

❷ Identify and Prioritize Assessments

- Slide 10 -

❸ Staff Center of Excellence and Establish Roles

Jane Smith
Skills:
Technical
Analytical
Influential

- Slide 12 -

❹ Begin Internal Communication and Planning

- Slide 14 -

❺ Creating Digital Diagnostics (Questions)

Digitizing...

- Slide 16 -

❻ Creating Digital Diagnostics (Analytics and Benchmarking)

+ Solution Implementation

- Slide 18 -

❼ Create Diagnostic Sales Package and Deploy Diagnostic

Assets

- Pitch Deck
- Screenshots
- Workflow
- Recommendations

- Slide 20 -

❽ Begin Thought Leadership and Selling

USE YOUR DATA
↳ Benchmarking
↳ Data points about your assets

- Slide 22 -

❾ Manage the Program and Expand Reach

↳ Organizational Analytics
↳ Interview Analytics
↳ Tie revenue to IP

- Slide 24 -

DEVELOP PROGRAM STRATEGY AND COMMIT TO APPROACH

OK, you're convinced that digital transformation presents your consulting firm with tremendous opportunity. You're interested in competing in the future of consulting. You know that you can improve margins and win rate and add more data and value to your engagements.

DIGITAL LEADERS OUTPERFORM LAGGARDS ON THREE FINANCIAL MEASURES
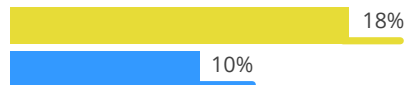Based on 2012-2014 data from 344 enterprises listed on U.S. exchanges.

- Digital Leaders (top 25% of companies)
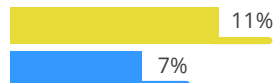- Digital Laggards (bottom 25% of companies)

3-YEAR AVERAGE GROSS MARGIN
55%
37%

3-YEAR AVERAGE OPERATING MARGIN
18%
10%

3-YEAR AVERAGE PROFIT MARGIN
11%
7%

SOURCE: S&P CAPITAL IQ, KEYSTONE STRATEGY ANALYSIS

Full buy-in to a digital approach pays.

You're likely ready to test a diagnostic or two. Nothing will derail your transformation efforts faster than not having a clearly defined strategy and not committing to this new approach. We've seen a few firms waste time and effort and ultimately fail in their transformation approaches by trying to manage transformation off the side of their desks or by treating diagnostics as an alternative approach to their regular process. Just like many consultants advise in their engagements, partially committing to a new approach will ensure only partial success.

DEVELOP PROGRAM STRATEGY AND COMMIT TO APPROACH

However, we've also seen the inverse, as a few firms have realized adoption and financial success beyond their expectations. If it's required and reinforced culturally, employees will be much more inclined to change. We've documented and will share these experiences with you.

Here are a few must-haves to incorporate into your strategy:

- Designate an executive sponsor. You need buy-in and commitment from someone senior enough to have sway at the organization but with enough time to guide your diagnostic team.

- Make your new digital approach a common theme in your executive communication both internally and externally. Accenture and Cognizant both do a great job here.

- Hire and train for new digital capabilities and acumen. Consultants place a lot of weight on problem-solving, which is an important attribute, but more focus needs to be paid to digital to keep pace with clients.

IDENTIFY AND PRIORITIZE ASSESSMENTS

Your next step is to begin understanding and locating your firm's knowledge. These knowledge assets go by many names and formats, whether you call them intellectual property, methodologies, assessments, tools, frameworks, diagnostics, surveys, maturity models, interview structures or problem identification. This step is about collecting the questions you use to surface issues and frame business problems. Some firms may have a portion of this information collected on a shared drive. But many consultants, including those with central systems, have a collection of spreadsheets, notes, emails, surveys or just knowledge in their heads.

IDENTIFY AND PRIORITIZE FIRM KNOWLEDGE

To stake a claim on your digital approach, put out an APB to locate where this information lives and who is the keeper of this knowledge. Remember, you're not looking to eliminate this person's job; we are helping this person extend the reach of his or her knowledge to more colleagues and clients. This is perhaps an overlooked but important step to take to ensure employees are not threatened by, but rather included in, your digital journey.

A few benefits to this approach that you can communicate:

- "Ensure your knowledge is leveraged by others and reaches more clients. Your digital diagnostic will have your name and documents tied to it."

- "Document your knowledge so that you can productize your approach."

- "Connect your assessments so you have a cross-practice view of clients and a business development approach to land more business."

Struggling with this step? 9Lenses can help. Our administrator services also include helping you develop diagnostics and positioning your questions for success. In addition, more guidance on questions and diagnostic creation can be found in step 5.
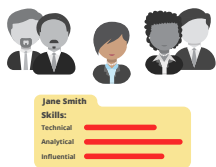
STAFF CENTER OF EXCELLENCE AND ESTABLISH ROLES

While you are collecting your firm knowledge, or even before it if you are time oppressed, you'll have to staff your new team. There is probably no right answer for how to staff your diagnostic team, or with whom to staff it, but our advice is to take advantage of existing processes or skills. The least disruptive solution for staffing is probably the right one and increases your chances for success. For example, many of our customers will use non-client-facing staff members who have expertise in either content areas or decision/data science.

Alternatively, 9Lenses offers administrator services for our customers. We'll set up the diagnostic, manage the execution and ensure success for your team. Best of all, we'll charge on a per-deployment basis so you can bill those services back to the client.

A word of caution here, many data science teams are particularly committed to their systems or processes, which may include lots of unnecessary data crunching. A new higher margin solution that eliminates non-value-adding activities can be viewed as a threat by these teams. Our suggestion is to loop the team in to the solution early, in addition, your diagnostic solution should be positioned as opportunity for your data science team to spend more time on analysis and advising the business. The future of data science, with the introduction of digital platforms, will be more about business partner relationships and serving as an internal consultant to those teams.
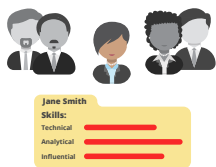
STAFF CENTER OF EXCELLENCE AND ESTABLISH ROLES

Roles and Permissions   Create

		Organization Administrator	Content Administrator	Analyst	Participant
Engagements	Respond ❓	☑	☑	☑	☑
	Manage ❓	☑	☑	☐	☐
	Launch ❓	☑	☑	☐	☐
	Analyze ❓	☑	☑	☑	☐
	Export Data ❓	☑	☑	☑	☐
All People	Manage ❓	☑	☑	☐	☐
Interviews	View ❓	☑	☑	☐	☐
	Manage ❓	☑	☑	☐	☐
	Approve ❓	☑	☑	☐	☐

To start, you will not require a large team; a single point person can get knowledge collected and administer the system for client-facing teams. In the 9Lenses platform, you'll be able to create administrator roles and analytics roles for client-facing teams that only need to see the results. Your customer success representative will help you set up these roles.

BEGIN INTERNAL COMMUNICATION AND PLANNING

Most firms are siloed by practice areas or offices so communication is critical. Many groups are not communicating or leveraging the knowledge of their peers and, in many cases, are reinventing the wheel. This presents the biggest risk to scaling your digital diagnostic tool across your firm. Many central project teams have likely felt this pain acutely, spending vast amounts of time arming field consultants with tools or knowledge only to be frustrated by adoption. This is also why step 1 is so important. The right strategy and executive buy-in will ensure you can create a regular cadence of communication, with messages coming from a senior enough voice that they get attention from employees.

It's also why a central platform with your new digital diagnostics, like the image from the 9Lenses platform to the right, is essential.

BEGIN INTERNAL COMMUNICATION AND PLANNING

Here are a few best practices for internal success:

- **Kick-off blog post or email.** A message from the project lead, a designated managing director, or strategy or technology head. The goal of this message is to lay the groundwork for the benefits to end users for adopting this digital approach and the benefits that a central platform provides for data analysis and business development.

- **A digital diagnostic intranet site or SharePoint location.** Your firm needs a central, accessible location to access available diagnostics, learn more about creating new versions and locate contact information for questions or requests. We've seen firms even create a lead capture form here so field consultants will be sent to the right diagnostic owner, quickly and in a measurable manner.

- **Sharing wins.** Nothing will drive the success of your program like sharing wins. When deals are won or clients are delighted or follow-up business is created, make sure you have a channel for sharing that news via posts, emails, your central microsite or, better yet, all three.

- **Designate diagnostic champions.** To create a regular touch point to practice areas and offices, it's a good idea to designate an internal champion from each major area of your firm. This team can relay feedback, share wins and communicate new opportunities available on the platform.

CREATING DIGITAL DIAGNOSTICS (QUESTIONS)

By this point, you've likely received countless spreadsheets, links to shared drives or blank stares when collecting your firm's assessments. You've got to decipher those documents or work with colleagues to document their approaches and then begin digitizing that knowledge. Below is an example diagnostic topic area with multiple questions.

People

Assess the degree to which culture and people are impacted by digital transformation at your firm or practice.

	1	2	3	4	5
To what degree is the senior management of your firm promoting a digital approach?	Not At All		Somewhat		Extremely
To what extent are digital capabilities engrained in your company culture?	Not At All		Somewhat		Extremely

To what degree does your firm or practice offer the following digital transformation resources for EMPLOYEES.

	Not At All		Somewhat		Extremely
Training and professional development	○	○	○	○	○
New digital tools and methods	○	○	○	○	○
Market research and competitive intelligence	○	○	○	○	○
Business development resources	○	○	○	○	○
Thought leadership and benchmarking	○	○	○	○	○

Digital Transformation in Consulting Playbook

CREATING DIGITAL DIAGNOSTICS (QUESTIONS)

And don't worry, your contract likely includes 9Lenses diagnostic design assistance, so we'll take the lead setting up your diagnostic questions for optimal performance. You can even connect those colleagues to the 9Lenses team to get their questions digitized. In addition, you'll be able to store sample client presentations, previous solution recommendations and any other supporting documentation with each diagnostic. You're creating a package that will showcase your knowledge and enable broad reach through your organization. One of the key pillars for your program is demonstrating success, so the first diagnostic you create should be for the first available client engagement. Other popular diagnostics include those for digital transformation, maturity models, change management and HR practices.

What makes a successful diagnostic?

- **Clear articulation of purpose.** Could you describe the diagnostic to the client in an elevator pitch? Do you have current client situations in mind? Are both the inputs and outputs defined?

- **Expected outcomes.** What does the diagnostic enable you to do? To recommend? What value does it bring to the client? How likely is the client to purchase follow-on work?

- **Anticipated conversation.** What does the conversation about the results look like with the client? Are you discussing strengths/weaknesses? Are you discussing gap analysis or issue identification?

- **Scoped market.** How many clients will this diagnostic touch? What is the demand? How many times will you execute this throughout the year?

+ Solution Implementation
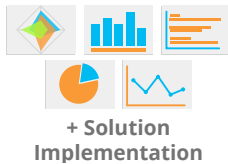
CREATING DIGITAL DIAGNOSTICS (ANALYTICS AND BENCHMARKING)

Your diagnostic will display in the standard 9Lenses analytics view in near real-time; however, many of our clients design their own analytics views. This way, every time they deploy a diagnostic, they have a client-ready view that eliminates data crunching. Many clients also like to design custom analytics displays that capture maturity models or consulting frameworks in a proprietary visual way. We'll work with you to design a digital dashboard view for each of the diagnostics of your choosing.

+ Solution Implementation

CREATING DIGITAL DIAGNOSTICS (ANALYTICS AND BENCHMARKING)

One of the main benefits of the 9Lenses platform is the automated benchmarking functionality. However, to take advantage of this functionality, you'll first have to map each of your question groups or topics to a data model. This way, each time your diagnostic is deployed, the results will be mapped back to the data model and allow for small nuances in language and client-requested questions. Mapping your topics is very straightforward; the question will be whether to develop your own data model or take advantage of the 9Lenses data model structure. We've yet to see a data model have as many layers or as much complexity as the 9Lenses model, so many clients will default to the 9Lenses model for their analyses.

As an added service, the 9Lenses data visualization team will work with you to design and develop the right dashboards to display your data so you have a repeatable method for sharing analytics with clients.

CAPABILITY

INTENT

Market Opportunity: **$12M**

Key
- Cloud Hosting
- Apps
- Office
- Big Data

ALL
- ⊙ Cloud Hosting
- ⊙ Apps
- ⊙ Office
- ⊙ Big Data

Market Opportunity
- $30M
- $20M
- $10M

Digital Transformation in Consulting Playbook

Assets
• Pitch Deck
• Screenshots
• Workflow
• Recommendations
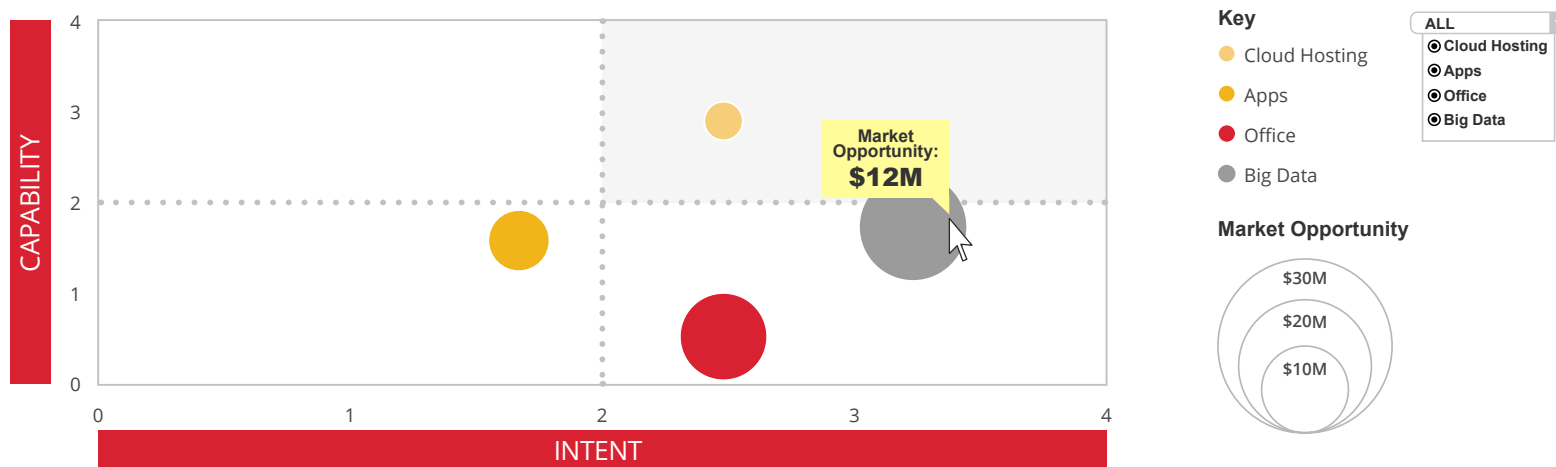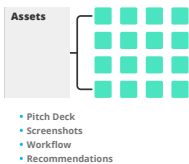
CREATE DIAGNOSTIC SALES PACKAGE AND DEPLOY DIAGNOSTIC

Your diagnostics are set up, analytics are ready to display, and your data is mapped for benchmarking. Now it's time to arm your colleagues with some collateral and tools to begin landing engagements with clients. First, we've seen clients sell diagnostics in a few ways, but generally they fall into two strategies:

1. Use the diagnostic as a low-cost way to get in with your client. Start smaller with problem identification and recommendations for implementation using the client's data from your diagnostic. We've seen many firms use this approach to win larger multimillion-dollar solutions or implementation deals.

2. Use the diagnostic as the foundation for your consulting engagements. Other firms have committed to a data-driven consulting approach and use the diagnostic platform as the backbone and differentiator of their solutions.

> **Both approaches have been successful, so perhaps you'll want to build in flexibility to the approach.**
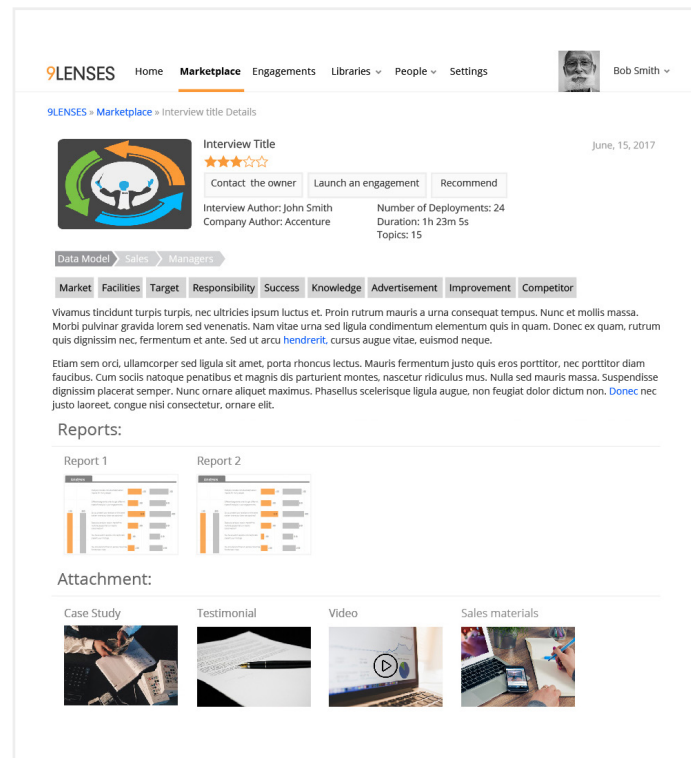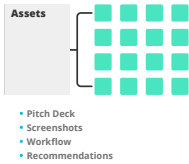
CREATE DIAGNOSTIC SALES PACKAGE AND DEPLOY DIAGNOSTIC

Here are some recommended marketing and sales tactics:

- Within the 9Lenses marketplace, you'll be able to store associated documents with your diagnostic, including sample reports, pitch decks and white papers. This will be your "asset" package that colleagues can run with.

- Capture internal leads using your intranet site or shared drive you created for internal communication. You'll be able to track high-performing practices and learn more about win rates. Mapping diagnostics back to revenue will allow you to measure the monetization of your intellectual property as well.

- Create an external video for each diagnostic so you can quickly capture the essence of what your clients can achieve with the data and solutions you outline for them. (Here's a sample of what 9Lenses can create for you)

IT MATURITY MODEL

DIGITAL DIAGNOSTIC SERVICES

- Demonstrate the solution for internal education. We've seen diagnostics teams do road shows at practice strategy meetings to communicate the benefits of the new approach.

BEGIN THOUGHT LEADERSHIP AND SELLING

Many firms are spending a surprising amount of money on outsourced thought leadership, employing other firms to write white papers or develop a regular blog cadence. They're doing themselves a disservice. By using their own data, sourced from their diagnostics, firms can develop authentic, credible thought leadership. This is also a reinforcing behavior. The more business you win, the more data you add to your thought leadership. With more data, you convey more expertise, which allows you to win more business.

Digital Transformation in Consulting Playbook

USE YOUR DATA
↳ Benchmarking
↳ Data points about your assets

BEGIN THOUGHT LEADERSHIP AND SELLING

Perhaps more importantly, you can begin monetizing the benchmarked results you are establishing with your diagnostics. Our clients have created benchmarks for problems they are solving, such as IT maturity or sales team performance. But they have also created industry benchmarks across diagnostics. By linking all diagnostics in one location, our customers can now see trends across IT, sales, marketing and finance, in the retail industry, for example. So now in addition to developing expertise in functional areas, they are also creating industry knowledge that client-facing team members can use to win new business.

This benchmarked data provides a wealth of thought-leadership opportunity, as you can now share insights that are not unique to a particular client. Lastly, by linking all of your diagnostics in one location, you can create a 360-degree view of your clients. You'll be able to see across sales, IT, finance and HR results for your largest clients. You'll be able to develop new insights by breaking down these siloes. You'll also be able to win more business by demonstrating to your client that you have diagnostics in finance and digital, as an example, that will help create a complete picture of that firm's performance. The fastest way to new business is through your existing clients. And your clients will be more inclined to work with the consultants that already have most of their data.
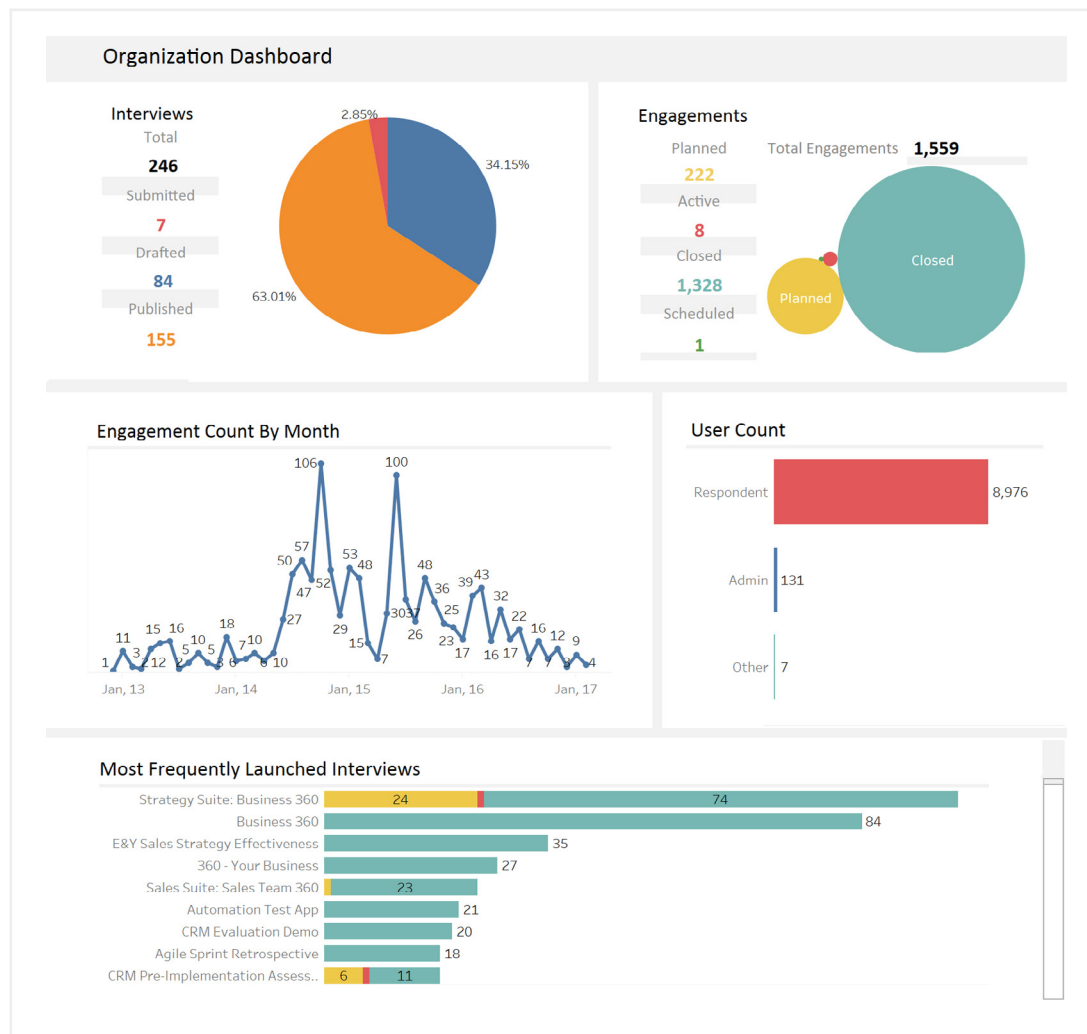
↳ Organizational Analytics
↳ Interview Analytics
↳ Tie revenue to IP

MANAGE THE PROGRAM AND EXPAND REACH

Once a few diagnostics have been executed, you can start to measure your impact and manage your program. The 9Lenses organizational intelligence report provides a detailed analysis, including how many diagnostics have been deployed and when, which diagnostics are performing the best and what engagements are in the queue. The goal here is to provide **metrics for your consulting knowledge** and replicate successes to expand your client engagements.

Organization Dashboard

Interviews
Total
246
Submitted
7
Drafted
84
Published
155

2.85%
34.15%
63.01%

Engagements
Planned
222
Active
8
Closed
1,328
Scheduled
1

Total Engagements **1,559**

Closed
Planned

Engagement Count By Month

106 100
57
50 52 53 48 48
47 43
36 39
18 27 29 26 25 32
15 16 10 30 30 23 22
11 15 7 5 7 10 8 10 15 7 17 16 17 16 12 9
1 3 12 8 8 7 7 4
Jan, 13   Jan, 14   Jan, 15   Jan, 16   Jan, 17

User Count
Respondent   8,976
Admin   131
Other   7

Most Frequently Launched Interviews

Interview		
Strategy Suite: Business 360	24	74
Business 360		84
E&Y Sales Strategy Effectiveness		35
360 - Your Business		27
Sales Suite: Sales Team 360	23	
Automation Test App		21
CRM Evaluation Demo		20
Agile Sprint Retrospective		18
CRM Pre-Implementation Assess...	6 11	

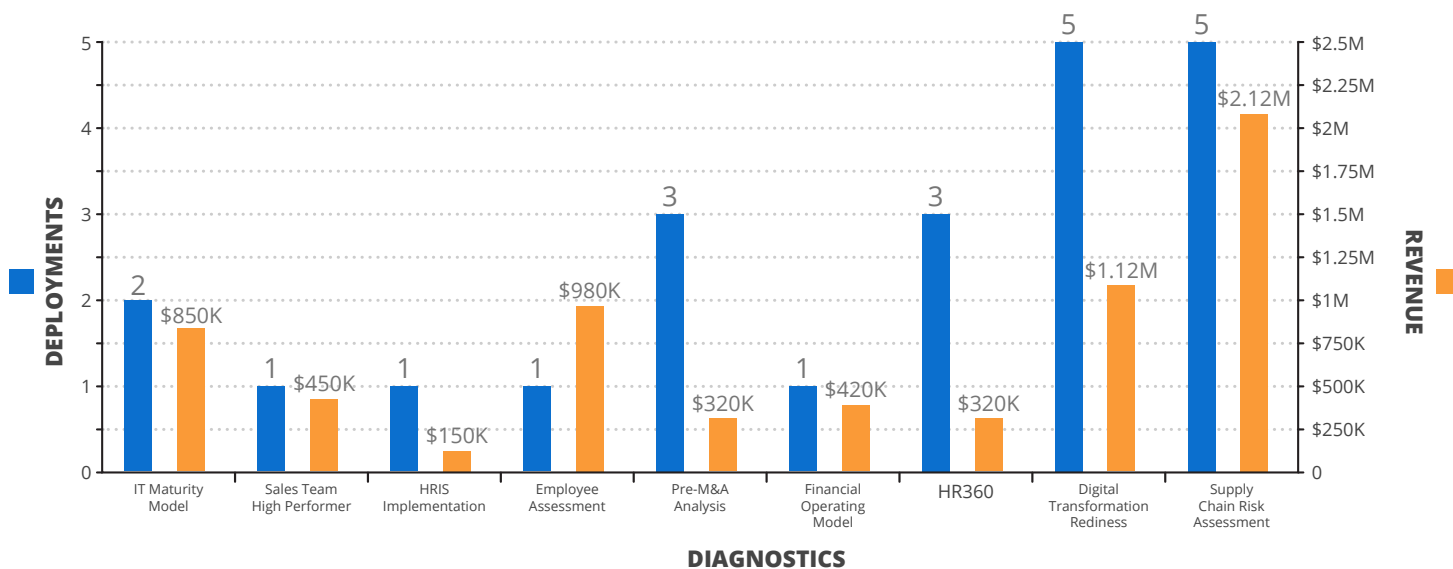↳ Organizational Analytics
↳ Interview Analytics
↳ Tie revenue to IP

MANAGE THE PROGRAM AND EXPAND REACH

In addition, our diagnostic metrics allow you to refine your questions and improve the quality of your assessments. For example, if you've deployed your diagnostic 12 times, we'll provide data on average time per topic, number of data points collected and average respondent rating to the quality of your questions. We'll also aggregate comments so you can get a complete picture into your performance from the end-user perspective. All designed to help you tweak, test and improve your diagnostic.

Finally, the most sophisticated organizations are able to track the amount of revenue generated from each diagnostic, like the image below. This is typically tracked through our customers' CRM system (we've created APIs to link diagnostics to opportunities). Firm leadership then knows which diagnostics to invest in and broadcast. Leadership can also use successful diagnostics as a blueprint for future products.

Bar chart showing DEPLOYMENTS (blue, left axis) and REVENUE (orange, right axis) by DIAGNOSTICS:

Diagnostic	Deployments	Revenue
IT Maturity Model	2	$850K
Sales Team High Performer	1	$450K
HRIS Implementation	1	$150K
Employee Assessment	1	$980K
Pre-M&A Analysis	3	$320K
Financial Operating Model	1	$420K
HR360	3	$320K
Digital Transformation Rediness	5	$1.12M
Supply Chain Risk Assessment	5	$2.12M

9LENSES®

WANT TO GET STARTED WITH THE DIGITAL TRANSFORMATION OF YOUR BUSINESS DIAGNOSTICS?

Contact us to learn more:

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www.9lenses.com