#FutureOfConsultancy

Cutting through the Hype

Innovation, technology and the future of consultancy

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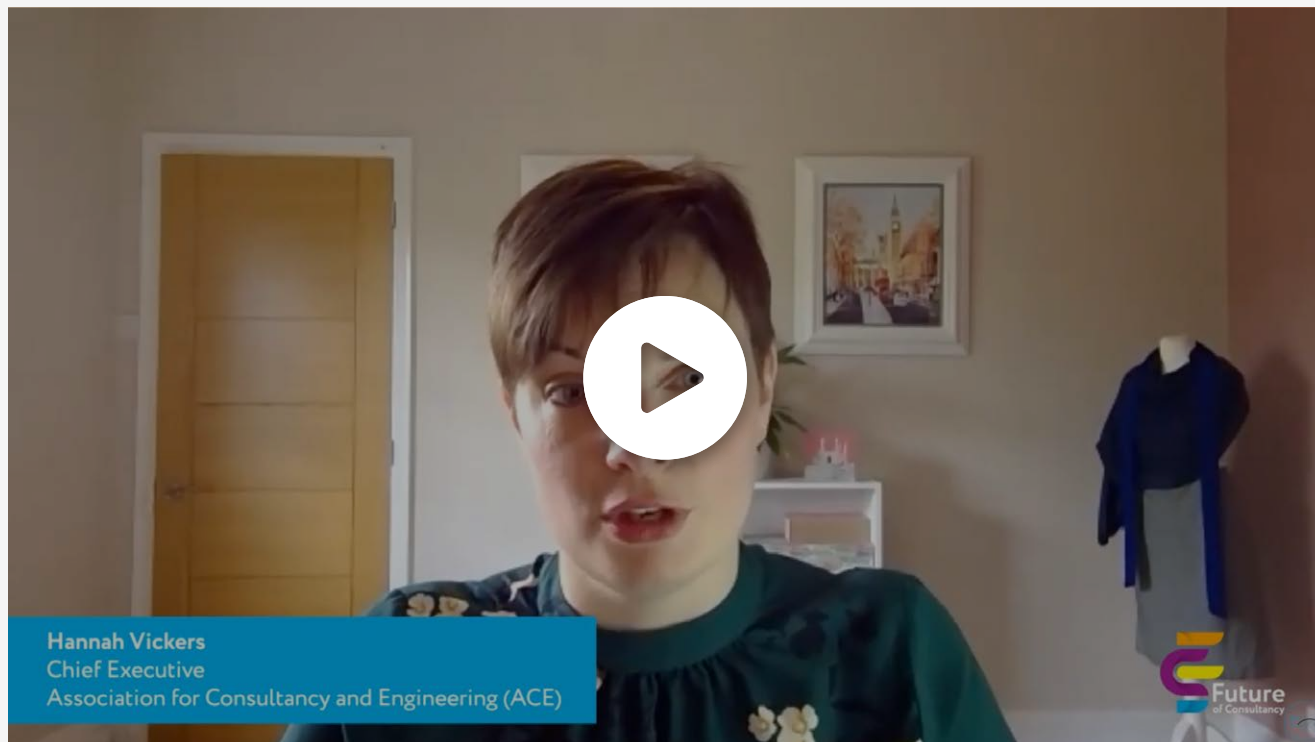
INDUSTRIAL STRATEGY | UK Research and Innovation

Introduction

Hannah Vickers
Chief Executive
Association for Consultancy and Engineering (ACE)

Innovation, technology and data are at the heart of the Association for Consultancy's (ACE) vision for the Future of Consultancy.

The knowledge and expertise of consultancy businesses combined with powerful technology and abundant data are allowing us to create more value for clients, owners, operators, investors and society at every stage of the infrastructure lifecycle.

Embracing a culture and practice of data driven innovation is helping consultancy improve its existing services, generate more social, economic, and environmental value and meet the demand for greater assurance of quality, safety and performance.

However, the ambition of many ACE members, large and small, goes far beyond doing the same thing better or faster. They are developing new products and services that combine deep technical expertise, ever richer data from projects and assets, and powerful new technology to do new things, in new ways.
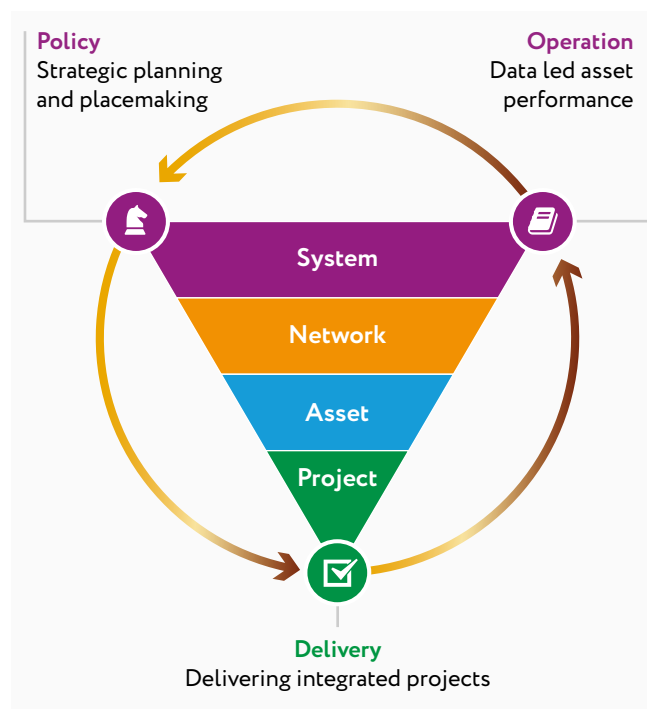

Figure one: ACE's Future of Consultancy's golden thread

ACE's upcoming **Consultancy 4.0** project will give detailed advice on how some of these products and services play out through the asset lifecycle. They also explain how they create opportunities for consultancy to be engaged – and paid – under a much wider range of arrangements than the traditional hours and materials model that still dominates the sector.

In this report we provide ACE members and the wider built environment community with practical insight into how consultancy businesses large and small have set about changing their culture and practice to make it easier to embrace these opportunities.

The response to COVID-19 has shown that our industry can innovate rapidly in response to a crisis. Consultancy now needs to build on this momentum to deliver the changes that will transform the sector and meet the needs of society.
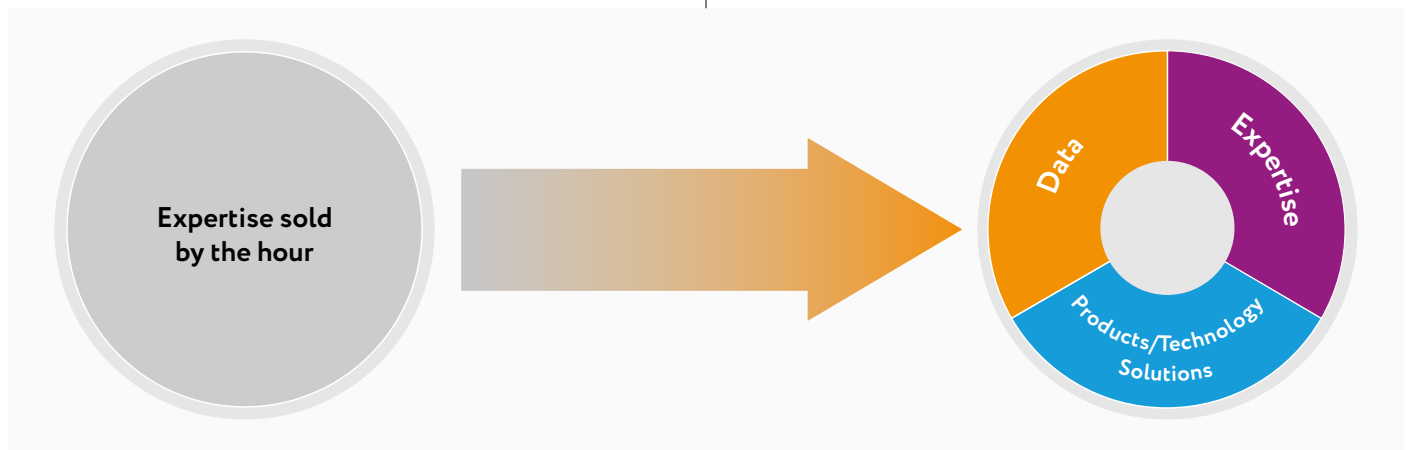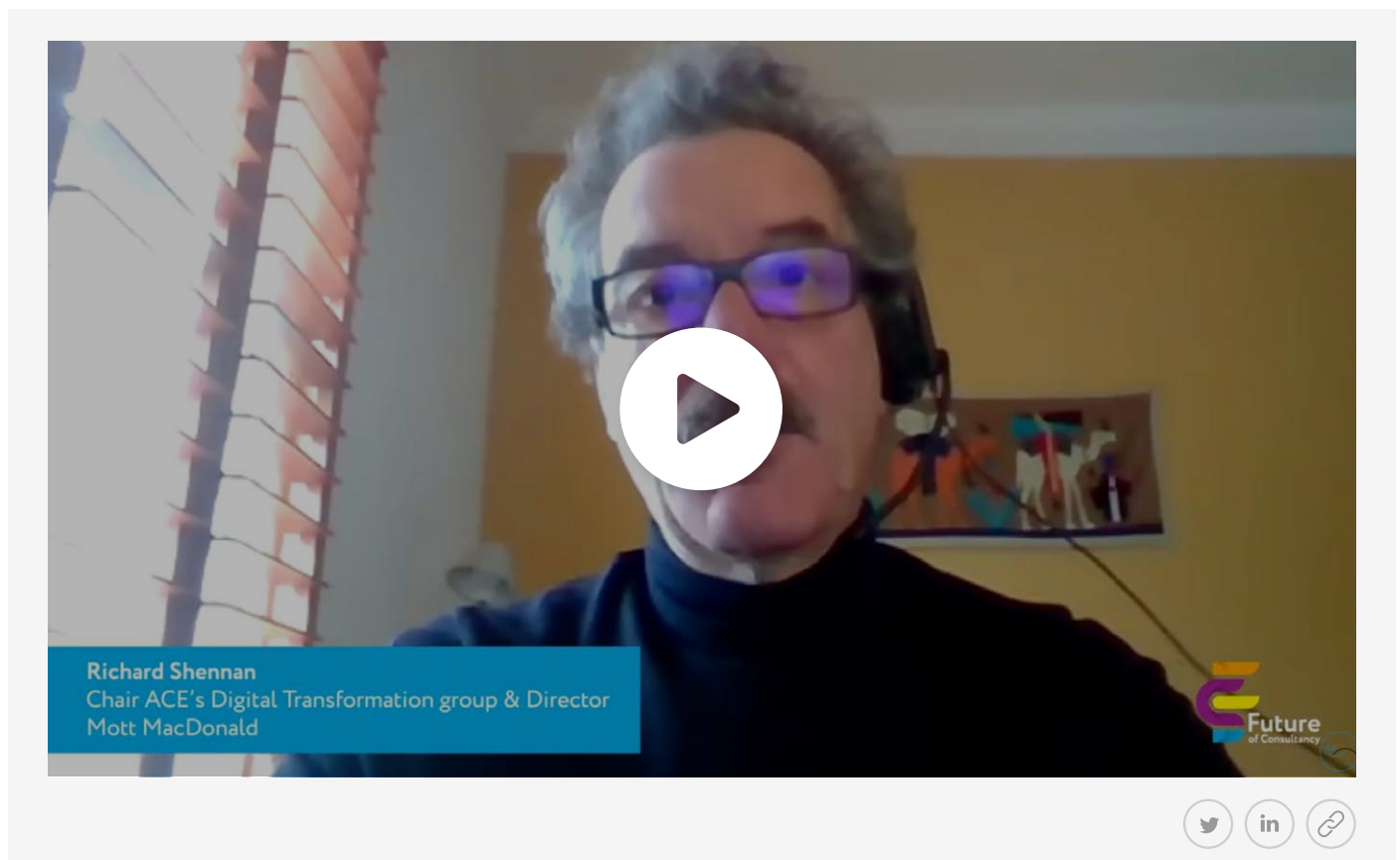

Figure two: Changing reward and incentivisation models.

Richard Shennan
Chair ACE's Digital Transformation group & Director Mott MacDonald

How should we think about digital transformation?

Digital and digital transformation are terms that have become so ubiquitous in the infrastructure sector that it can be hard to cut through the hype and identify what the benefits are and what consultancy needs to do to realise them.

These definitions highlight an important truth. Technology is a means to that end and not the end. Businesses that want to reap the rewards of digitisation need to focus first on changing their working practices and culture.

Commercial advantage will be created by the skill with which businesses can organise themselves to combine the specialist knowledge and expertise of their staff, a sound understanding of the capabilities of different technologies and the ever-increasing volumes of data being generated by infrastructure projects and assets. Businesses that can identify what data is of value, assure its quality and integrity, and work with it to provide insights that help clients make better decisions will thrive.

> *Digital refers to the exploitation of innovative technology to create positive human and organisational outcomes. This is achieved through the development of solutions that not long ago would have been unimaginable or thought impossible. Digital transformation is the integration of this technology into all areas of the enterprise fundamentally changing how it operates and how it delivers value to its clients.*
>
> **Tony Scott**, CEO and CIO at start up Neural Rays AI, explains in plain English.

Opportunities throughout the asset lifecycle

The evolution in how value is created opens up many attractive opportunities for consultancy though with many offering increased margins.

As this analysis highlights, one future pathway for consultancy businesses is to develop deeper, longer term relationships with clients, adding value at every stage from project selection and planning, through improving productivity in the delivery phase and helping to optimise operational performance and then using the insight gathered to shape refurbishments or future service enhancements. The opportunities are not limited to the project level.
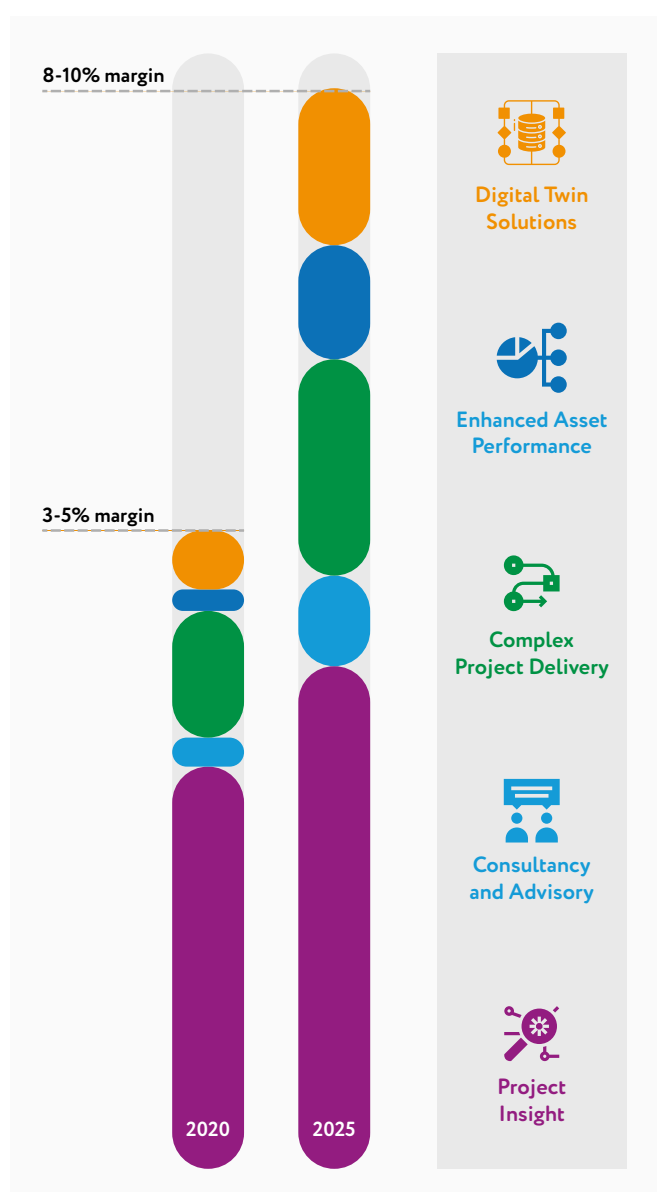
Businesses can also expand their service offering to provide professional services that support strategic decision making at the level of networks, systems and portfolios.

Of course, not every consultancy business will want to pursue a strategy of lifecycle partnerships with asset owners. Many will remain focused on the development and delivery of projects, engineering design remaining the heart of their offer to the market.

These specialist businesses will however help the whole sector if they develop the capability to work with project partners in some form of common data environment.

Just as businesses need to avoid siloing data and expertise inside projects, the sector needs to avoid data being siloed inside supply chain organisations. If we are committed to collectively providing the best possible outcomes to clients and the public, data must be as accessible and interpretable as possible at every level.

Specialist businesses themselves will also benefit from this approach. At whatever point they enter or exit the lifecycle, they will have greater awareness and visibility of how data they are generating can be used in the stages before and after their work, creating opportunities to add value – and be paid for it.
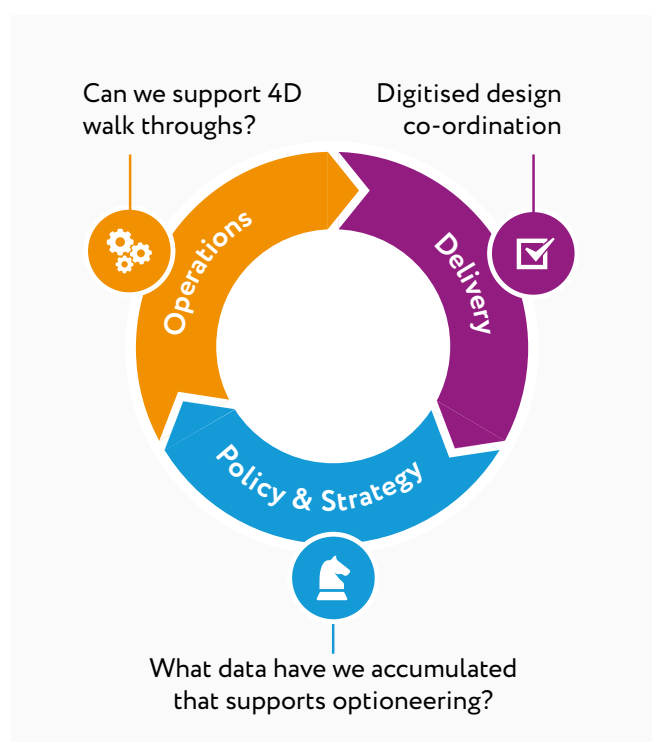
Figure three: Growing services to increase margins. Adapted from *The Power of Data for Long-lasting Change* (February 2021) by Bentley Systems.

Figure four: Technology opens up new commercial opportunities.

Where to begin?

The biggest barrier to any transformation can be knowing where to start.

We discussed the experiences of digital transformation with a group of ACE member businesses of different sizes and with different specialisms.

From these conversations we've drawn out five key lessons which we will be developing into more detailed blogs over the coming weeks and months on ACE's website at: www.acenet.co.uk/hype

The pieces, written by business leaders and technology experts, will cover **strategy, leadership, agility, capability and outcomes**, among other topics with a focus on "cutting through the hype" to provide you with easy to digest takeaways which you can apply to your business and circumstances.

1 Strategy: Digital Transformation should be about helping to get you to where you want to be

Your approach to innovation and digital transformation must flow from your corporate strategy. How do you want to engage and be engaged by clients? How will you deliver value to them and at which stage of the asset lifecycle? How will this drive your income streams? How will data insights and technology help you get there and be more productive?

2 Leadership: Lead if from the top, focus on culture and break up silos

Ultimately this is about changing how your business operates with senior management teams front-and-centre in driving change. Intent should translate into changes to process and culture at all levels. Fragmentation is the enemy and leaders must create an environment in which innovation, and the data and insight that go with it don't get stuck in projects, leading to a proliferation of technologies that don't talk to each other, data silos, inefficient legacy workflows and one-off solutions the business struggles to exploit at scale.

3 Agility: Think big, start small, scale quickly

If the ambition is transformative, the method is iterative. Focus first on culture and ways of working. Learn from the tech industry and embrace agility, encourage small scale experimentation around clearly defined client problems, introduce disciplined processes that allow you to fail quickly and scale up success rapidly.

4 Capability: Build up your ability to fully exploit data and technology to meet client's needs

Think about how you develop the capabilities across your organisation to fully exploit the benefits of data insights and technology and enable staff that wish to advance their digital skills to flourish.

5 Outcomes: Focus on specific problems and opportunities

To make rapid progress, identify which of your clients understand the potential value of their data, are keen to collaborate, and have clearly defined problems you can work together to solve. Use processes that help you get under the skin of your client and understand their needs. It is also worth thinking about your client's client. Following the money and understanding what investors, occupiers, operators and governments really need can unlock even more opportunities.

Appendix: Future of Consultancy

Launched by the Association of Consultancy and Engineering (ACE) at its CEO Conference in November 2018, the Future of Consultancy campaign will pivot an entire sector to seize the opportunities offered by a better connected, technology-first approach to the development, design, construction and operation of our built environment.

Backed by the Government as part of its Industrial Strategy and part-funded by the UKRI, the programme will help companies to not only prepare for the future but enable them to confidently grasp the rewards presented as the industry moves "from volume to value".

Find out more at our website where you can replay a range of webinars and download our reports.

www.acenet.co.uk/campaigns/future-of-consultancy/

Overview

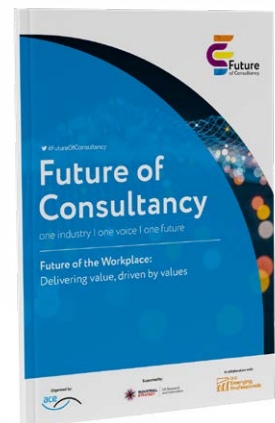Exploring the drivers of this change and the opportunity for consultancy businesses.

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Export strategy

Outlining the global opportunities for UK consultancy.

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Future of the Workplace

Creating a thriving workplace culture that attracts, supports and retains the next generation.

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Get in touch

Questions about the campaign? Want to get involved?

Email: FutureOfConsultancy@acenet.co.uk