

015

Consultancy in Spain 2015 The Industry in Figures

Next page



Spanish Association
of Consulting Firms

Leading
digital
change





Contents

Introduction	2
Key figures	4
The Spanish consultancy industry in 2015	6
Outsourcing in Spain in 2016	23
Acknowledgements	28
AEC members	29

Introduction



Vicente Calzado Requena
Chairman of the Spanish Association of Consulting Firms (AEC)

An analysis of 2015 suggests that it marked the consolidation of a return to recovery and growth in the consultancy industry. There are a number of reasons for this cautious optimism. First of these is a renewed growth in turnover, at a rate which is now close to the pre-recession period. This comes as the result of increased investment by manufacturing industries in digital transformation of their business models and the use of technology as a facilitator for this transformation. Secondly, forecasts for the coming year suggest that the trend will continue. And finally, there has been a return to a pattern of growth in which the greatest portion of growth in sales comes from domestic demand.

This is not to underestimate the importance of the industry's overseas sales, which played an essential role in keeping turnover up through the crisis years. However, the Spanish consultancy industry clearly has very close ties to the Spanish market, which accounts for the majority of its sales and on whose recovery its most immediate future depends. The fact that sales in Spain have returned to –and indeed exceeded –their pre-crisis level is good news not only for the consultancy industry, but also for what it says about the business expectations of Spanish companies. Nonetheless, the industry's profitability continues to be hampered by pressure on prices and tough contracting conditions in framework agreements, especially with government, which accounts for 15.8% of the industry's revenue.

Once again, the year saw net job creation. In some ways, the performance of the Spanish consultancy industry has been quite different to that of other sectors throughout the period since the financial crisis. Despite slow growth in sales during the period, consultancy firms refrained from implementing any radical staff cutbacks; on the contrary, the number of employees has grown year after year. As a result, they now enjoy two key ingredients for continued growth: stronger demand and intact HR capacity.

These are all good reasons for looking to the future with optimism, but also with the caution and serenity that the industry has always shown. The most recent forecasts indicate that growth in the global economy will

continue to be modest in 2016 and 2017. Nonetheless, the consultancy industry has proven itself capable of outstripping overall growth in the Spanish economy. Moreover, broad sectors of Spain's manufacturing industry in Spain are engaged in processes of digital transformation, making use of new technologies: digital (cloud, analytics, social media, mobility, Internet of Things, cyber-security, etc.) to redesign their business, operating and services models and processes, with a new approach focusing on customers (increasingly digital and hyperconnected), efficiency in operations and capacity to manage all available information for real time decision-making. In this transformation towards the digital economy, with business objectives targeting growth and improved margins, Spanish consultancy firms have always shown themselves to be an ideal partner, given their capacity to implement changes in technology and organisation, as well as models and core processes. We are confident that this symbiotic relationship between consultancy and manufacturing can continue to yield the same beneficial results in the future.

As always, the three main areas of demand for consultancy services are the financial services sector, government and telecommunications. Since records were first kept, these three industries have consistently accounted for over 50% of total sales by consultancy firms. However, since the financial crisis, they have performed differently. Demand from government remained stable in 2008, 2009 and even into 2010. However, inevitable public sector cutbacks led to a sharp reduction in the demand for consultancy services. Now that economic recovery has begun, the lead role has shifted to the financial services sector, which in just two years –from 2013 to 2015– has seen a two-point increase in share of demand for consultancy services.

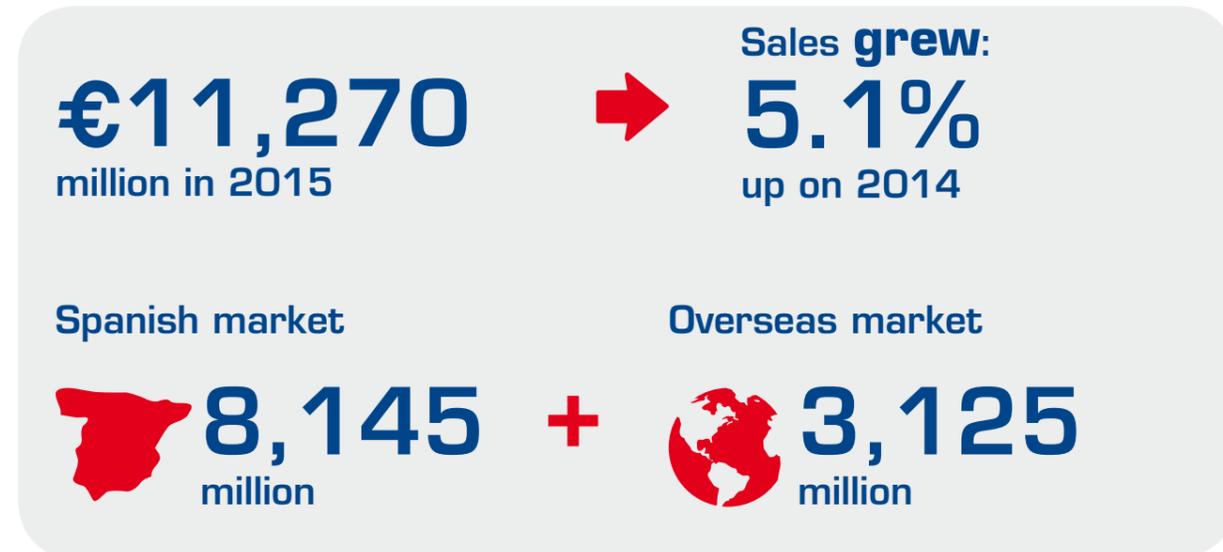
I trust this report will meet the needs of all those with a professional, academic or personal interest in the consultancy industry. It would not have been possible without the kind participation of all the firms in the industry that agreed to share sometimes sensitive economic information in the interests of offering a more rigorous and detailed picture of the industry and its importance for the Spanish economy. We would like to thank all of them.

Spanish consultancy firms have proven to be an ideal partner in the transformation towards the digital economy, with business objectives targeting growth and improved margins

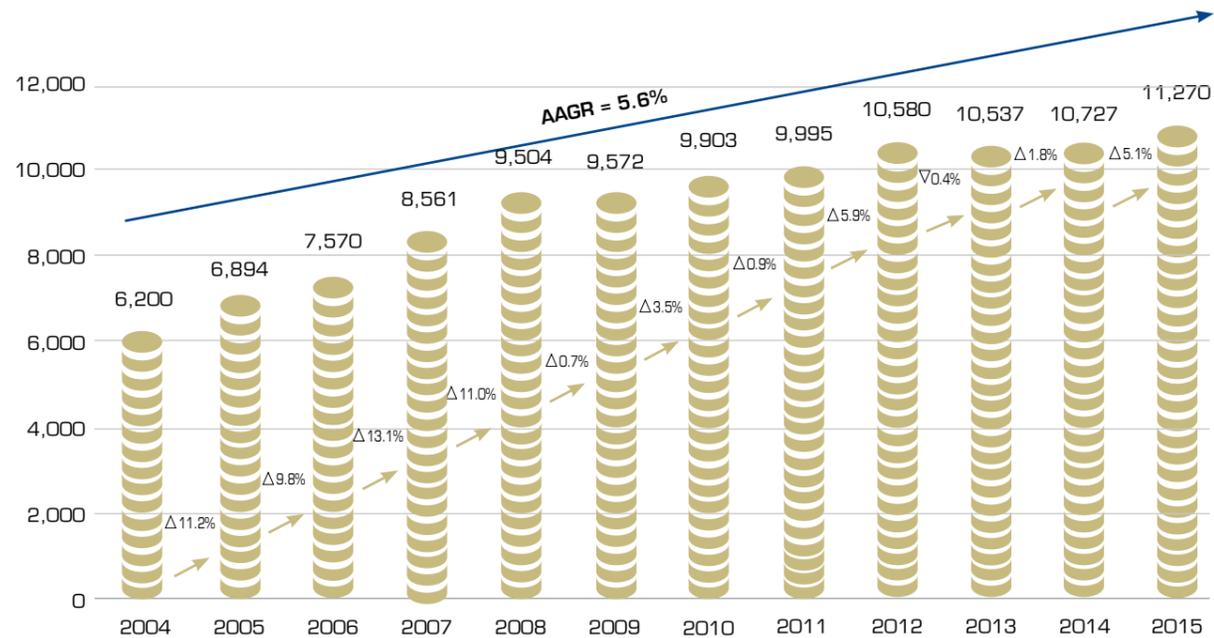


Key figures

Income



Trend 2004-2015 (million euro)



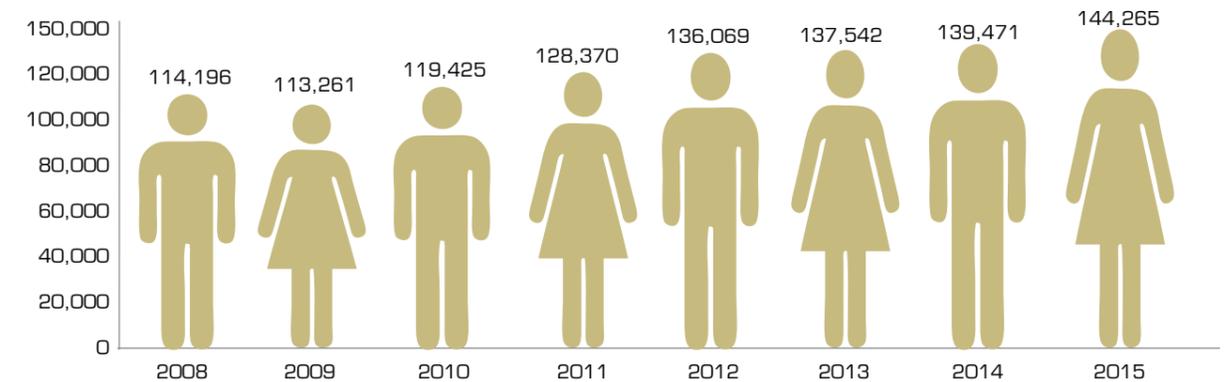
AAGR: accumulated annual growth rate.

Source: AEC.

Employment



Trend 2008-2015 (number of employees)



Distribution of income

By services

Outsourcing
46.0%

Development and integration
37.8%

Consultancy
16.2%

Main industries

Financial services
29.0%

Government
15.8%

Telecommunications
13.2%

The Spanish consultancy industry in 2015

Executive summary

Since 2004, the Spanish Association of Consultancy firms (Asociación Española de Empresas de Consultoría or AEC) has been compiling data from Spanish companies working in the industry to offer an annual report describing key features and trends in the industry. This document describes the state of the industry in 2015, a year which saw a reversal in some of the trends that characterised the preceding period of financial and economic crisis. In the future, 2015 may be seen as the turning point and the beginning of a new stage of sustained growth.

The report combines information from the industry itself, specifically gathered for this purpose, with official statistics from government sources, including as the Ministry for Employment and Social Security and official statistical bodies such as the Instituto Nacional de Estadística (INE) and EUROSTAT.

Sales grew strongly:

5.1%
up on 2014



The following are some of its key conclusions:



- 2015 saw a consolidation of the upward trend in revenue for the Spanish consultancy industry. Sales grew sharply (up 5.1%) and, unlike the crisis years, this growth was fundamentally built on sales in the Spanish market.



- 2014 and 2015 therefore mark a change in direction which industry experts forecast to continue in 2016, when a further 5% increase in revenue is expected. If the forecasts are correct, by the end of 2016 we will truly be able to say that the recession is over.



- The industry continues to create employment, although at a slower rate last year than in the Spanish economy as a whole (3.4% as opposed to 5.1%). This marks the end of a period in which Spanish consultancy firms went to great lengths to retain staff despite falling business. In this new stage, consultants are still looking to incorporate new talent, but growth in turnover is now outstripping recruitment. As a result, this new stage is marked by a return to productivity levels (turnover per employee) which were lost during the previous period, and a renewed investment in training and human capital.



- The balance for the years in which performance was conditioned by the economic crisis highlights the strength of the consultancy industry in Spain. Between 2008 and 2013, sales grew continuously ahead of Spanish GDP. Throughout that period, GDP fell by a total of 7.6% in nominal terms, whereas revenue to the industry grew by 10.9%. The trend in employment was similar: in the Spanish economy as a whole over two million jobs were lost (14% of the total number in 2008); in the same period, the workforce of the consultancy industry grew by more than 23,000 employees (20% of the 2008 volume).



- The make-up of revenue in the industry has remained unchanged from previous years. Outsourcing services continued to be the chief source of income (46% of the total). The economic crisis has strengthened the demand for this type of service, which is closely associated with cost-cutting.



- The main clients for the industry's services continued to be the financial services sector, government and telecommunications firms. Nonetheless, in the new growth period, sales can be seen to be growing faster in the financial services sector than among government, where cut-backs continue to have an impact.

Income of the consultancy industry

Between 2008 and 2015, revenue rose by **18.6%**

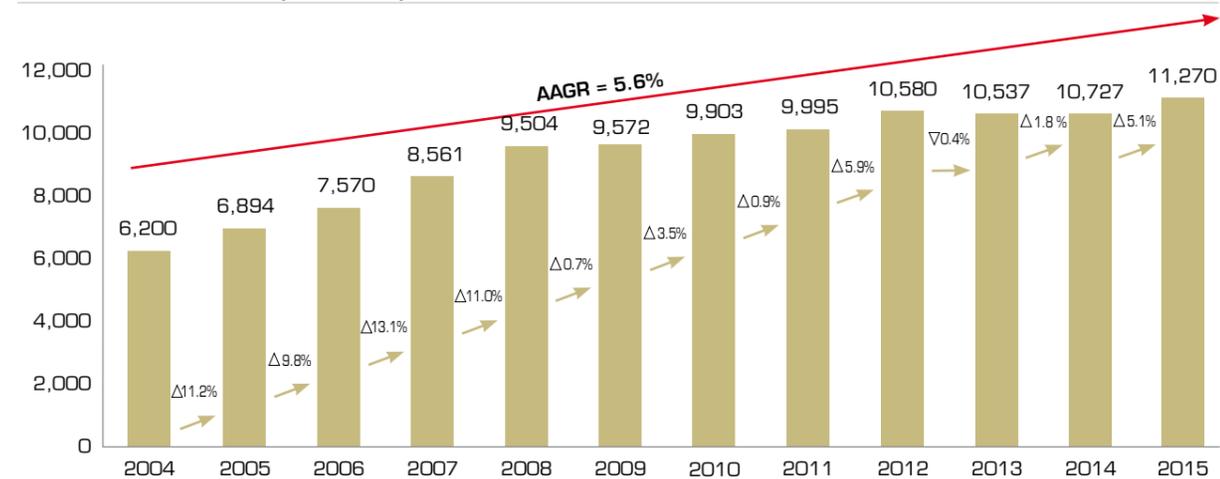


During 2015, Spanish consultancy firms sold services to a value of 11.27 billion euro. This is 5.1% up on 2014 and slightly above industry forecasts, which had predicted growth of around 4.3%. This rise in sales was fuelled by the domestic market, where revenue rose by 7.9%.

On the basis of these figures, 2015 can be classed as being very positive. Key reasons for this assessment include the following factors:

- While it is true that growth in turnover was below the overall average for 2004-2015 (5.6%), it is important to identify two very different trends in this twelve-year period: from 2004 to 2008, sales grew at an annual rate of 11.3%, with an accumulated increase of 53.3%; in the following period, from 2008, the economic context changed radically and the increase in sales slowed: average annual growth rate dropped to 2.5% in 2008-2015. In this more immediate context, revenue from consultancy services can be seen to have been considerably better in 2015 than in recent years.

Table 1. Total income from sales of Spanish consultancy firms and their subsidiaries abroad: 2004-2015 (million euro)

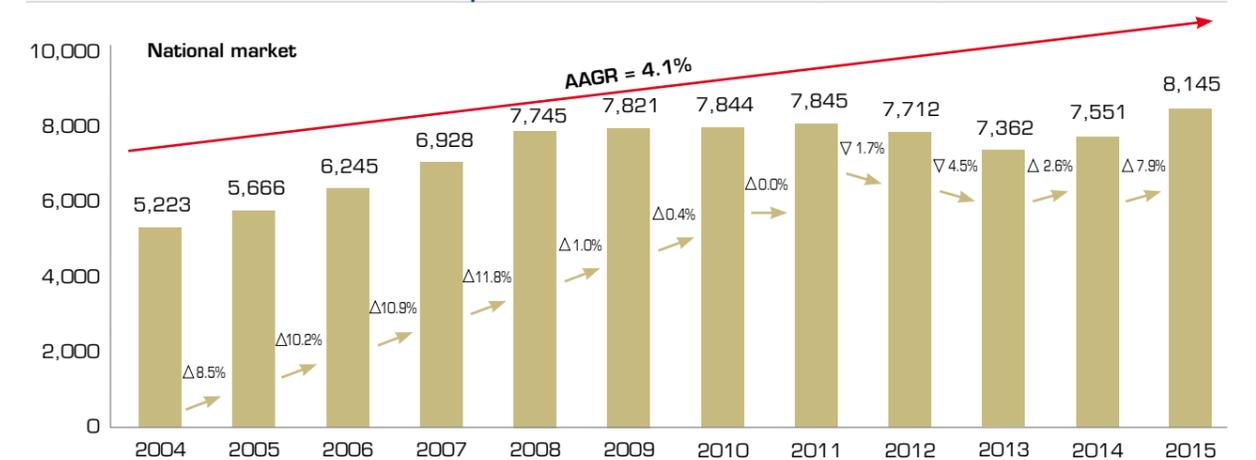


AAGR: accumulated annual growth rate.

Source: AEC.

- Looking exclusively at the post-2008 period, we can see that only in 2012 was there a comparable rise in earnings. However, in terms of the breakdown of revenue, and the underlying factors, the two years have little in common. In 2012, turnover improved exclusively as a result of circumstances on overseas markets and a number of corporate movements that strengthened the hand of several Spanish companies abroad. In 2015, in contrast the growth in revenue came from an improvement in sales on the domestic market.

Table 2. Income from sales on the Spanish market: 2004-2015 (million euro)



AAGR: accumulated annual growth rate.

Source: AEC.

Table 3. Income from sales on overseas markets: 2004-2015 (million euro)



AAGR: accumulated annual growth rate.

Source: AEC.

In 2015, the increase in revenue came above all from an improvement in sales on the domestic market: **8,145 million**



Taken together, the figures are a cause for optimism. 2015 was the second consecutive year to register a positive trend in the sales, following a drop-off in 2013. Growth was more intense than in 2014 and was built on a more solid base, focusing on the domestic market. The figures therefore indicate a recovery in the domestic consultancy service market. After two consecutive years, 2012 and 2013, in which sales to Spanish companies and public authorities fell, the Spanish market began to recover in 2014, growing strongly (by 7.9%) in 2015. In absolute terms, 2015 saw a return to pre-2008 figures for revenue on the Spanish market, passing the 8 billion euro mark for the first time since records began.

This recovery in sales on the Spanish market is therefore one of the best bits of news contained in this year's report. This trend in the domestic market's share of total sales, an indicator which bottomed out in 2013, when up to 30.1% of the industry's income came from overseas markets. From that year on, the percentage of income from the home market has risen by more than two points.

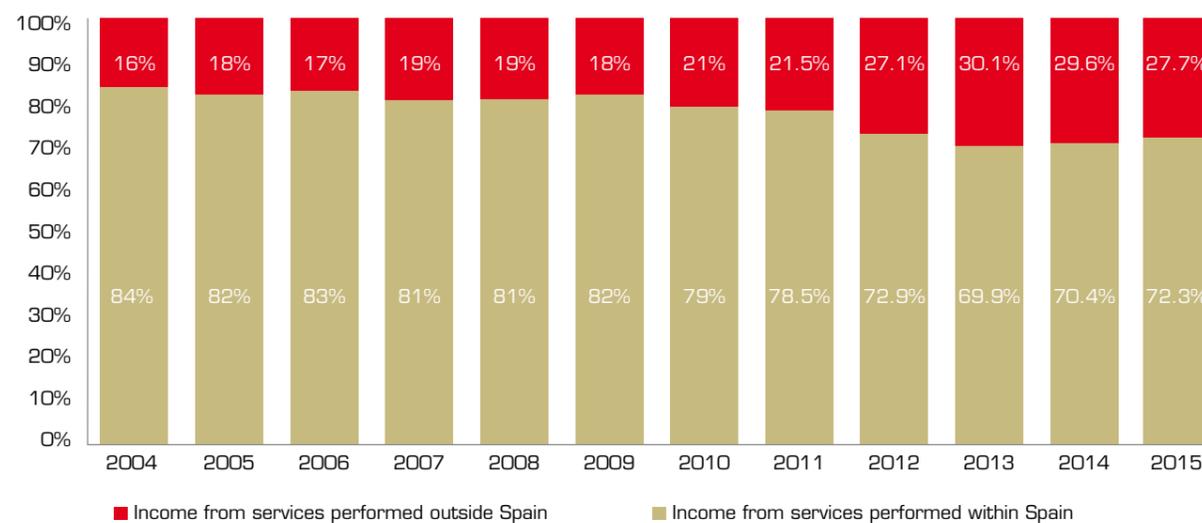
It is worth recapping on the industry's performance during the recessionary phase of the economic cycle. Before the financial crisis of 2008 plunged the global economy into disarray, the consultancy industry was experiencing double-figure growth rates. The new scenario drastically reduced this growth rate, despite the fact that Spanish consultancy firms successfully looked overseas for the clients they were no longer able to find at home. Nonetheless, the industry managed to overcome the adverse economic circumstances, including a dramatic fall in orders from government sources, which had always been one of its leading clients. During the years from 2008 to 2013, the industry consistently outperformed the Spanish economy. Spanish GDP fell in four of the five years, while turnover in consultancy fell only once, in 2013. Throughout this period, Spanish GDP fell by a total of 7.6%, while the industry's revenue grew by 10.9%. The last two years, which have seen signs of recovery both in the economy in general and in the consultancy industry in particular, have not altered this pattern and revenue figures in the industry continue to grow at a faster rate than the Spanish economy.

Sales on the overseas market:

• 2004: **€977 million**
 • 2015: **€3,125 million**

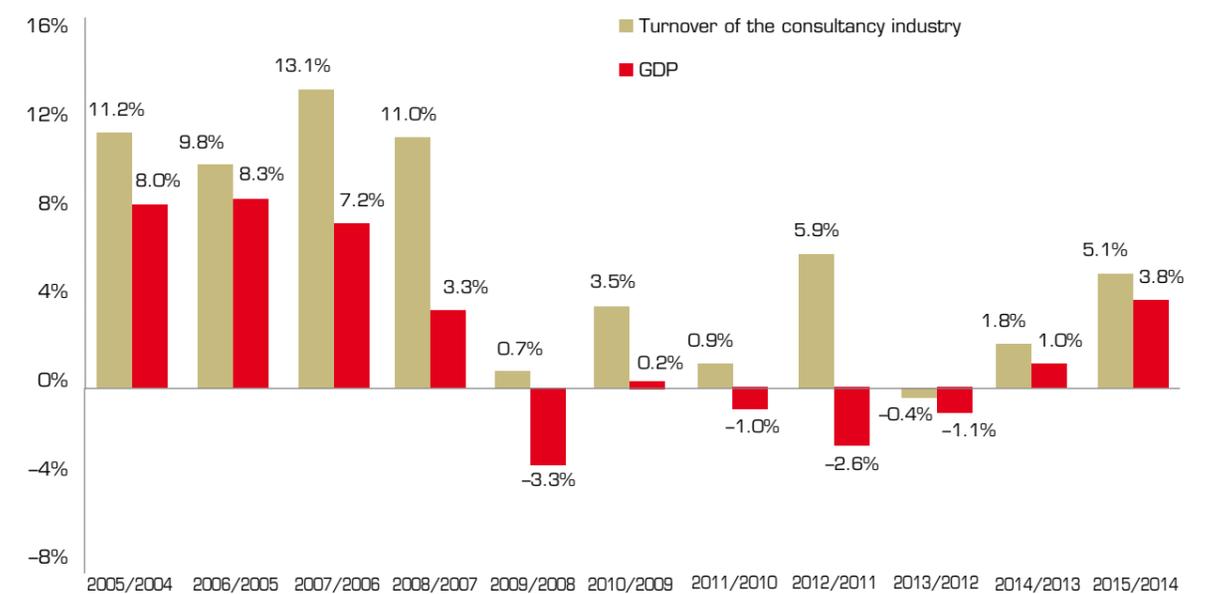


Table 4. Composition of income of Spanish consultancy firms by geographical market (2004-2015)



Source: AEC.

Table 5. Trends in turnover of the consultancy industry and GDP: 2004-2015 (annual growth rates)



Sources: for turnover in the industry: AEC; for GDP at market prices: INE (National Accounts Spain, base 2010, and National Quarterly Accounts of Spain, base 2010).

Employment in the consultancy industry

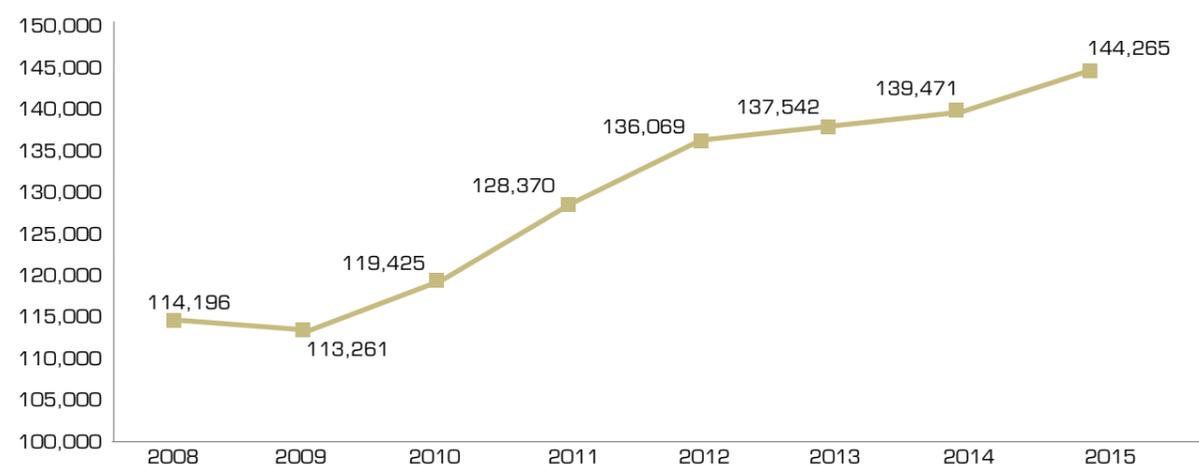
The industry continues to create employment, with a further **3.4%** increase in 2015



In 2015, Spanish consultancy firms employed 4,794 people more than in the previous year, bringing total staff numbers in the industry to 144,265. In percentage terms, this represents an increase of 3.4%, an improvement on the two previous years (see Table 6). This increase was due to an expansion of the workforce in Spain, where 78.6% of the personnel of Spanish consultancy firms are concentrated. In 2015, the number of employees in Spain increased by 5.8%. More generally in 2015, the Spanish economy saw net job creation for the second year running, after several very negative years for the labour market. The number of salaried social security contributors grew by 5.1%, confirming that the recovery of the Spanish economy is beginning to be reflected in the labour market.

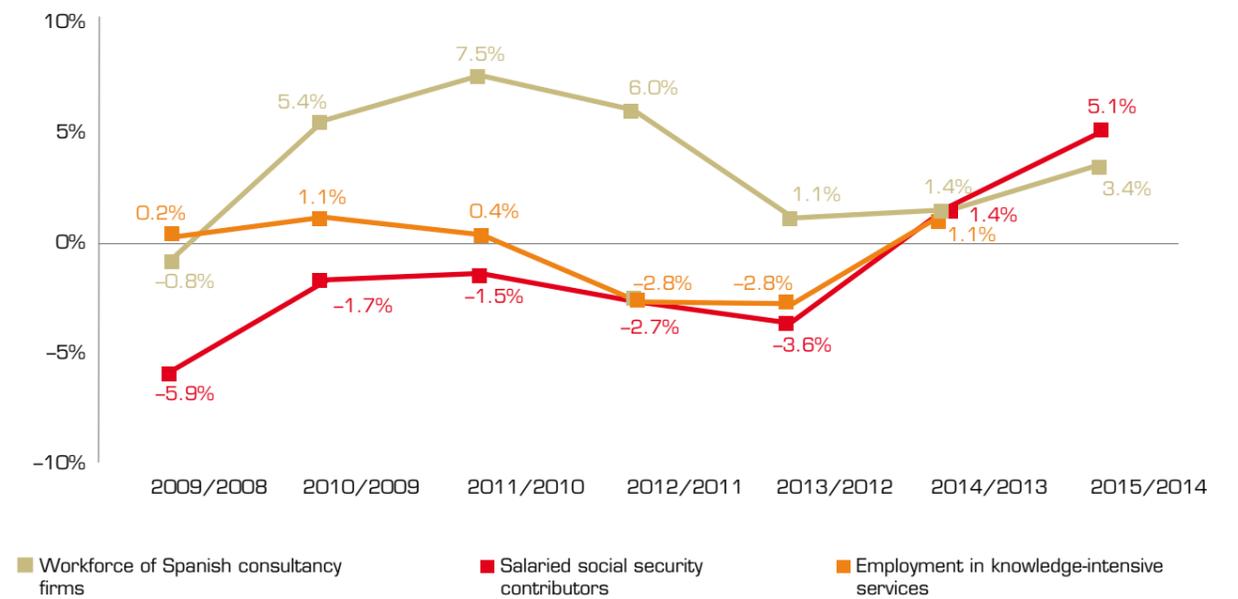
In this regard, 2015 was atypical, as it was the first year to date when job creation was faster in the Spanish economy as a whole than in the consultancy industry. To understand this trend properly, one might have to look at the wider context of the recession years. Since 2008, the strategy of Spanish consultancy firms has been to maintain their human resources base. Workforces not only grew (with the exception of 2009, when there was a very slight drop), but grew faster than turnover (see Table 8).

Table 6. Workforce of Spanish consultancy firms (number of employees on payroll)



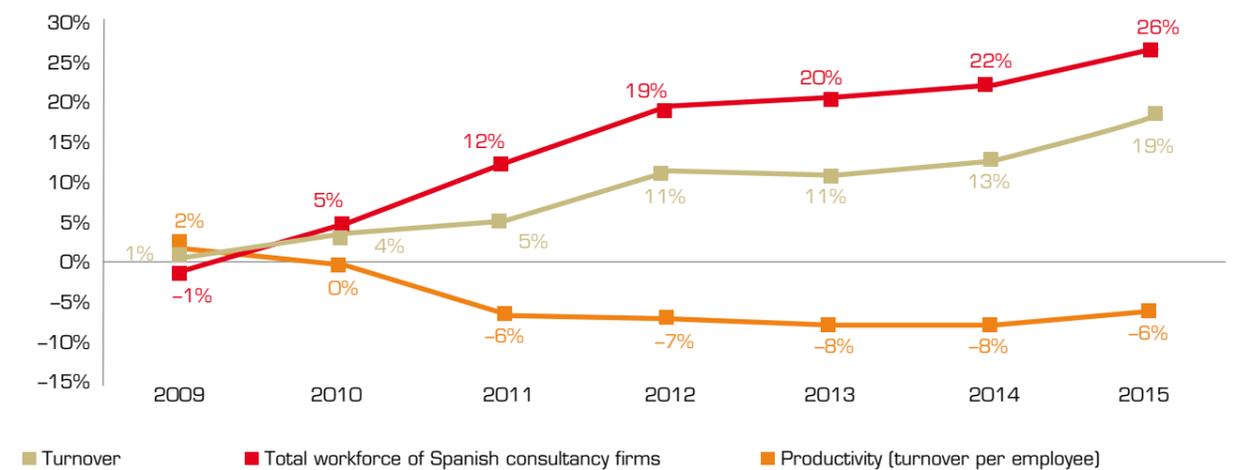
Source: AEC.

Table 7. Growth in workforce of Spanish consultancy firms and social security contributors (salaried) in Spain: 2009-2015



Sources: workforce of Spanish consultancy firms: AEC; salaried social security contributors: Ministerio de Empleo y Seguridad Social; employment in knowledge-intensive services: EUROSTAT.

Table 8. Percentage variation in turnover, workforce and productivity (turnover per employee) in the consultancy industry as compared to 2008 figures



Source: AEC.

Between 2008 and 2015, the number of people working in the industry increased by more than **26.3%**



In strategic terms, this approach makes sense given the importance placed by consultancy firms on their employees' professional qualifications and experience –two values which they fought to retain despite the unfavourable context. The industry's distinctive position as a creator of quality employment throughout the crisis can best be appreciated when compared with the Spanish labour market as a whole in the period 2008-2013. During those years, consultancy firms continued to create employment –more than 23,000 new jobs– at a time when over 2.2 million jobs were being lost in the Spanish economy as a whole. The employment figures in the consultancy industry also compare well to knowledge-intensive sectors. By their nature, these industries have been less sensitive than others to the economic crisis yet nonetheless, they came well behind the consultancy industry in terms of their capacity to generate new employment in the period.

In the new phase of economic recovery, consultancy firms no longer need to enlarge their workforces to the same extent and although they continue to seize the opportunity to recruit the best professionals, current workforce levels are more than enough to absorb the increase in sales.

As with turnover and revenue, the last two years have also seen a change of trend in the area of employment. During the crisis years, growth in employment in the industry outstripped growth turnover, leading to a drop in productivity rates which firms considered a price worth paying for continued commitment to quality job creation. In 2014, the increase in turnover was slightly higher than in employment for the first time since 2008 (1.8% as opposed to 1.4%) and, in 2015 the gap widened somewhat (5.1% vs. 3.4%). As a result, productivity (measured as turnover per employee), which had fallen throughout the crisis, began to recover slightly in 2014 and to a much more significant extent in 2015.

The employment needs of the consultancy industry differ from those of the wider economy. Consultancy firms require talented professionals, with a solid formal education and an important dose of specific experience and training.

These needs are reflected in the make-up of staff in the industry. In 2015, 72% of the workforce of Spanish consultancy firms were university graduates.

At the same time, Spanish consultancy firms invest far more in training than companies in other industries. In 2015, Spanish consultancy firms invested €283 per employee in training. The most recent equivalent figure available for the Spanish economy is for 2014, when it stood at €100. Economic recovery has also fostered increased investment by consultants in training. While total spending and spending per employee declined gradually between 2011 and 2014, the trend in both factors was reversed in 2015.

Table 9. Indicators of investment in HR training in the Spanish consultancy industry

	2011	2012	2013	2014	2015
Expenditure on training by Spanish consultancy firms (million euro)	39	37	36	35	41
Expenditure on training per employee by Spanish consultancy firms (euro)	305	274	260	251	283
Expenditure on training per employee in Spanish economy (euro)	111	102	101	100	—
Training hours per employee in Spanish consultancy firms (hours per year)	30.5	31.8	30.2	29.0	30.5

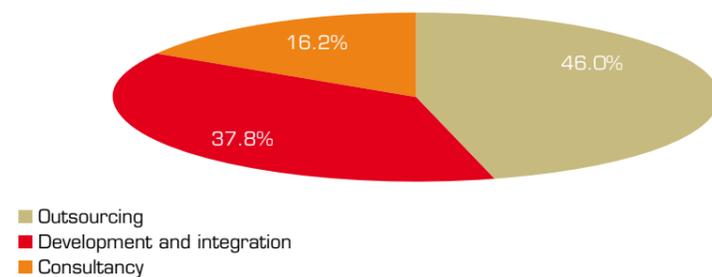
Sources: for expenditure on training per employee in Spain: INE, Encuesta Anual de Costes Laborales; other figures: AEC.

The provision of 'as a service' IT services continues to grow

Distribution of revenue by service

Consultancy firms offer their clients three basic types of service: consultancy, development and integration and outsourcing. In 2015, the distribution of revenue by services was very similar to that of previous years. The only appreciable change was that the share of revenue from outsourcing services increased by one percentage point, at the expense of consultancy services. Consequently, in 2015, revenue from outsourcing accounted for 46.0% of the total; development and integration, 37.8%; and consultancy 16.2%.

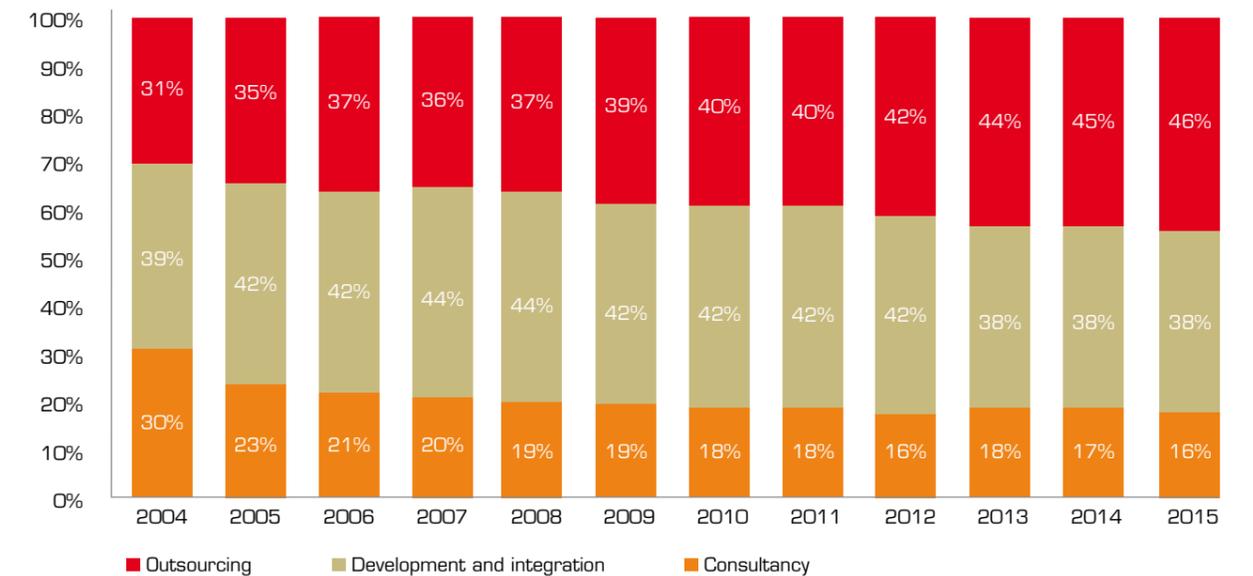
Table 10. Distribution of industry income by type of service (2015)



Source: AEC.

Over the last twelve years various trends can be identified in the revenue make-up. Turnover from outsourcing services grew consistently throughout the period. Its share of sales went from 31% in 2004 to 46% in 2015. It is now the leading source of income for companies in the industry. The proportion of sales of development and integration services increased from 2004 to 2008, but with the economic crisis, their share of overall revenue began to decline, from 44% in 2008 to 38% in 2015. For their part, the part played by consultancy services declined throughout the period, now accounting for just 16% of the industry's total revenue.

Table 11. Distribution of industry income by type of service (2004-2015)



Source: AEC.

The following sections describe the internal composition of each of the three types of service offered by the consultancy industry.

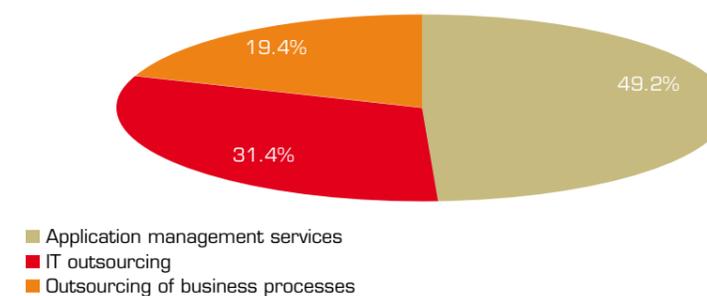
Outsourcing

A distinction can be drawn between several different types of outsourcing service. As in previous years, the variety that generated most revenue for Spanish consultancy firms in 2015 was application management services, which accounted for half (49.2%) of the industry's total sales in outsourcing services. The remained was distributed between IT outsourcing (31.4%) and core processes (19.4%).

Outsourcing:
46.0%

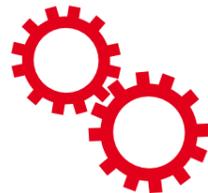


Table 12. Distribution of industry revenue in outsourcing services (2015)



Source: AEC.

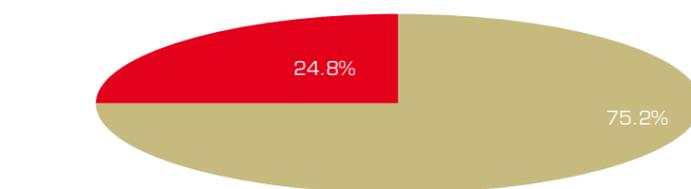
Development and integration:
37.8%



Development, deployment and integration of applications

The area of application development and integration includes various types of service which can be grouped into two broad categories: application development services and deployment and integration services. In 2015, the first of these categories accounted for 75.2% of sales by consultancy firms in this area, with deployment and integration services making up the remaining 24.8%. This distribution was not substantially different to the figures for 2014.

Table 13. Distribution of industry revenue in development and integration services (2015)



■ Development of applications
■ Deployment and integration

Source: AEC.

Consultancy

Consultancy services *per se* constitute an ever smaller portion of the revenue of Spanish consultancy firms. Most of the income generated comes from technological consultancy, which accounted for 61.1% of turnover in the category in 2015. The remaining 38.9% comes from sales of business consultancy –which includes operations, strategy and organisation consultancy– and change management.

Table 14. Distribution of industry revenue by consultancy service (2015)



■ Technological consultancy
■ Business consultancy

Source: AEC.

Consultancy:
16.2%



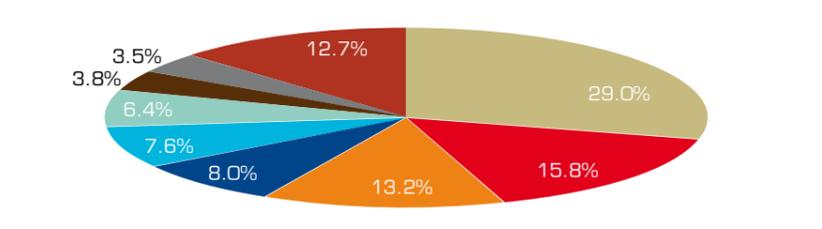
Distribution of revenue by client sector

Spanish consultancy firms have a broad supply of services to match all types of client. Indeed, clients for their services come from very different industries covering practically all branches of activity in the economy. Nonetheless, some industries are more likely to use consultancy services than others; certain sectors have a particularly strong demand and naturally receive greater attention from consultants.

Three main sectors

One of the industries that has traditionally demanded most consultancy services from Spanish consultancy firms is the financial services sector. In 2015, financial institutions acquired consultancy services from Spanish companies to a value of €3.271 billion, equivalent to 29.0% of the industry's total earnings. Government occupied second place among the client sectors, acquiring €1,777 million-worth of services in 2015. This represents 15.8% of the total revenue of Spanish consultancy firms. In third place came telecommunications and media firms, which bought around €1,490 million in services, 13.2% of the total. These three sectors account for 58.0% of the revenue of Spanish consultancy firms, with other industries accounting for a considerably smaller share (see Table 15). Nonetheless, some of these other sectors do represent a very considerable source of income, especially for a number of specialist consultants; for example, manufacturing companies accounted for 8.0% of the services sold by Spanish consultancy firms; utilities 7.6%; and transport and travel, 6.4%.

Table 15. Distribution of industry revenue by sector (2015)



■ Financial services ■ Manufacture ■ Distribution
■ Government ■ Utilities ■ Energy (oil, coal, mining, etc.)
■ Telecom and media ■ Transport and travel ■ Others

Source: AEC.

Main industries:

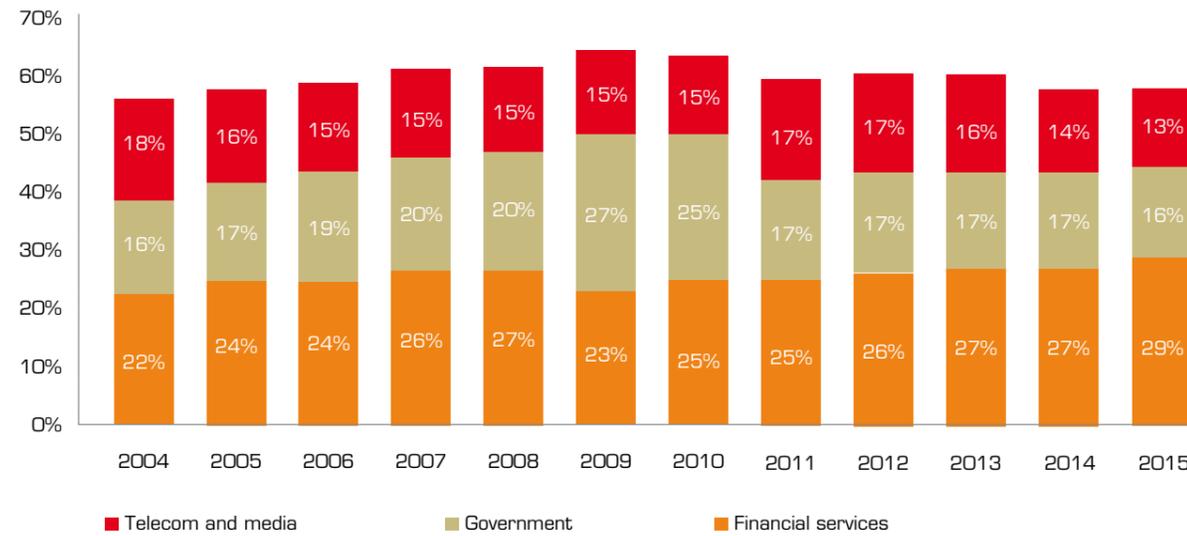
Financial services
29.0%



Government
15.8%



Table 16. Comparative weight of the three largest industries by demand for consultancy services (2004-2015)



Source: AEC.

Telecommunications

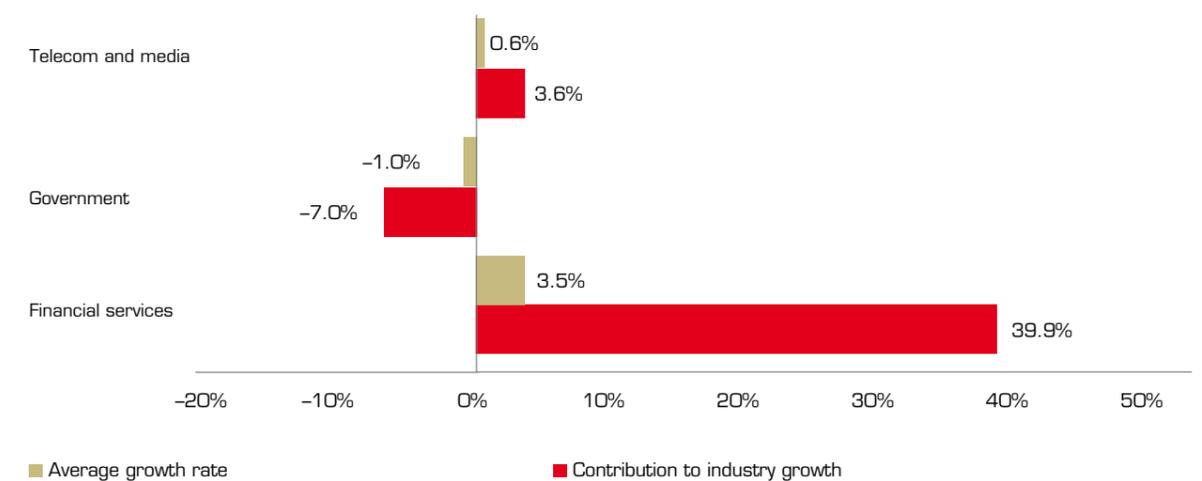
13.2%



Financial services sector – the “pull” effect

Of the three most important industries (financial services, public authorities and telecommunications and media), the former has shown the most stable demand throughout the period for which records are available and it has had the most decisive effect on growth in revenue to Spanish consultancy firms: between 2008 and 2015, sales to companies in this sector accounted for 39.9% of the growth in revenue in the consultancy industry (see Table 17).

Table 17. Average annual growth and contribution of most important clients to growth in the industry (2008-2015)



Source: AEC.

Cutbacks in the public sector

At the other end of the scale, demand from government has proved far more volatile. Demand increased enormously between 2004 and 2009 and in the first years of the crisis, the public sector played an important role in offsetting the fall in sales to other sectors. However, in 2010 and above all in 2011, budget cut-backs in the public sector created a very different scenario, with the share of public authorities in the client portfolio of Spanish consultancy firms falling dramatically from 27% to 17%. In the last year, purchases by public authorities from the industry fell by close to 2%. Just as government demand for consultancy services took longer to decline than other sectors at the start of the recession (albeit the drop-off was much more dramatic when it did come), since the recovery, sales to public authorities have also taken longer to rise.

The demand for IT services extends to all industries

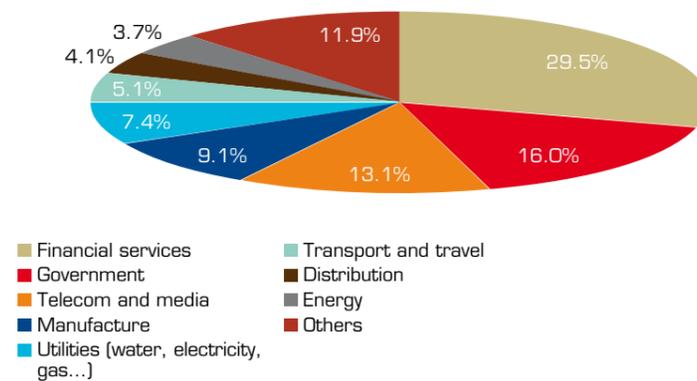
Sales forecasts for 2016

For 2016, the forecasts of consultancy firms augur an increase in revenue of 5%.

No major variations are predicted in the distribution of revenue by services: outsourcing services will continue to be the most demanded, followed by development and integration and consultancy. Similarly, there will be no major changes in the distribution of revenue by client sector, although there will be an increase in revenue from manufacturers of industrial products, financial services providers and public authorities, with transport and travel losing ground.

In short, 2016 is expected to see a consolidation of the recovery of the consultancy industry in Spain, following the serious economic crisis that began in 2008. The trends of the two last years are also expected to be confirmed in 2016, with the Spanish market helping push growth in the industry, as the workforce continues to grow and productivity improves. No major changes, however, are predicted in the internal make-up of the revenue by type of service or by client sector.

Table 18. Forecast distribution of income of consultancy firms from client industries (2016)



Source: AEC.

The industry is forecast to grow by **5%** in 2016



Outsourcing in Spain in 2016

According to the annual study conducted by consultancy service Quint Wellington Redwood in collaboration with Whitelane Research, the reasons that have led companies to outsource certain services have changed in recent years. In a survey of 175 of Spain's largest firms, conducted in 2015, clients increasingly valued the importance of outsourcing as a lever of change and company transformation. Cost-reduction continues to be the most-frequently mentioned goal among those surveyed, but it has lost ground against other factors, such as proactivity, innovation and quality in change management.

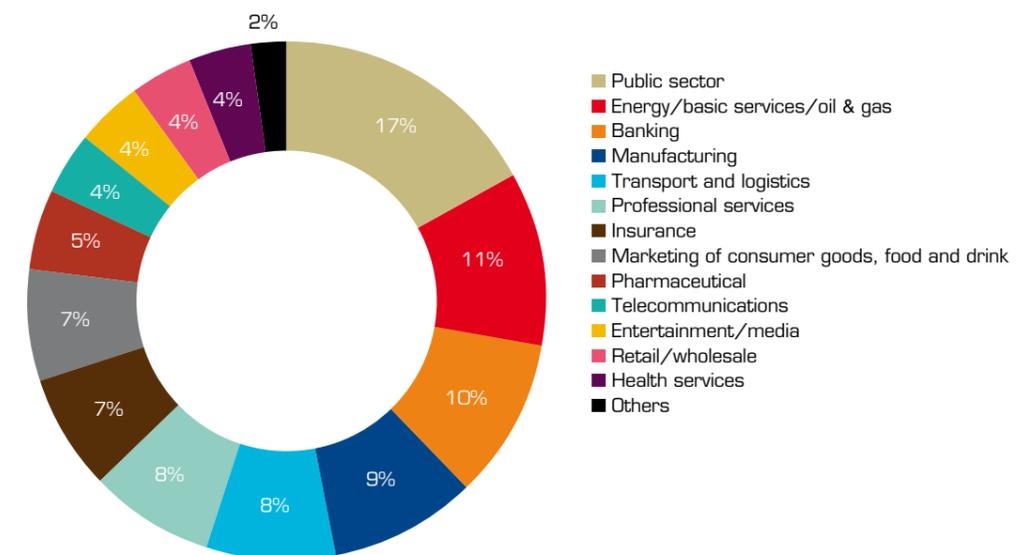
The report shows continued growth in outsourcing in Spain (37% said they would increase their level of the practise) despite the fact that is now reaching a certain level of maturity (a further 41% will maintain their levels unchanged in 2016). Another of the principal conclusions of the study is that client are less willing to renew contracts without initiating an RFP process -only 23% said they would automatically renew their existing contracts.



Juan Manuel González
Outsourcing Manager at Quint Wellington Redwood



Table 1. Sectors represented in the study



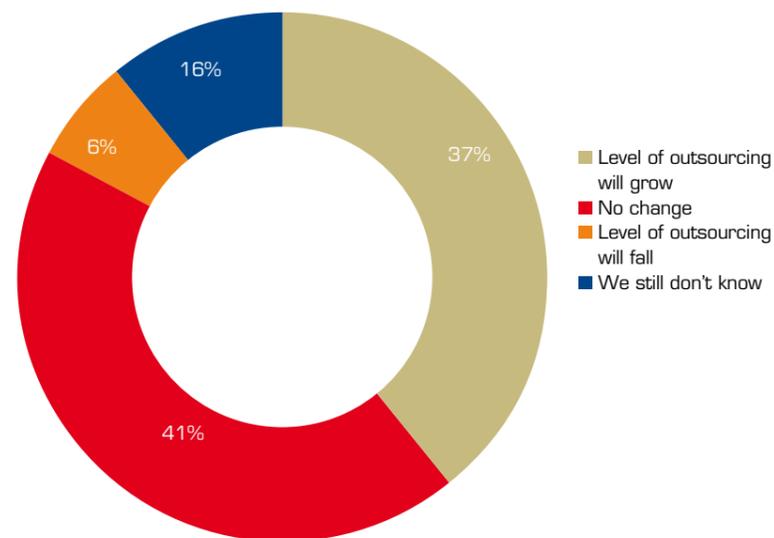
Participants in the study –all large firms– have given researchers access to 550 separate IT outsourcing contracts. As Table 1 below shows, the study covers all they key industries on the Spanish market, including the public sector, banking & insurance, energy, transport and logistics, etc.

Outsourcing strategy

Over a third of those surveyed said they would increase their levels of outsourcing in 2016 (37%), with only 6% forecasting a reduction.

As for the reasons for undertaking an outsourcing project, the trend over the last three years suggests that while cost cutting continues to be the predominant factor, it has lost ground to other aspects, such as business transformation. Other motivations, including cost transparency and financial flexibility, have also dropped in significance. This is not to say they are no longer relevant; rather it suggests that thanks to the efforts of recent years to achieve that level of cost transparency and financial flexibility, companies are now in an acceptable position in which these factors are no longer as decisive when deciding to engage in a new outsourcing initiative.

Table 2. Outsourcing plans



A study by Quint Wellington Redwood and Whitelane Research sets out **key factors** and recommendations for outsourcing IT services

Table 3. Reasons for outsourcing

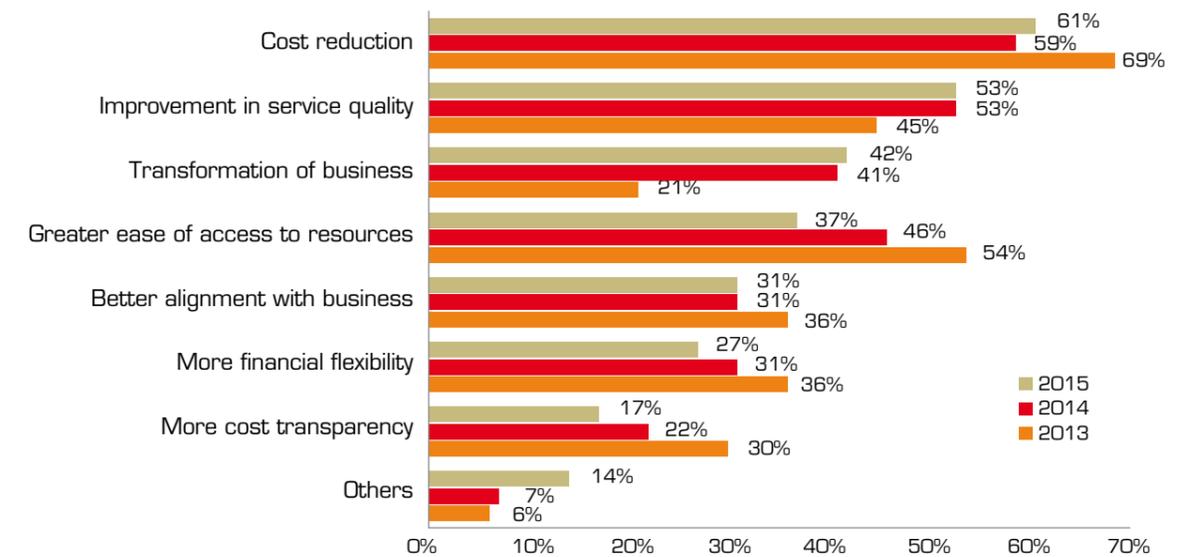
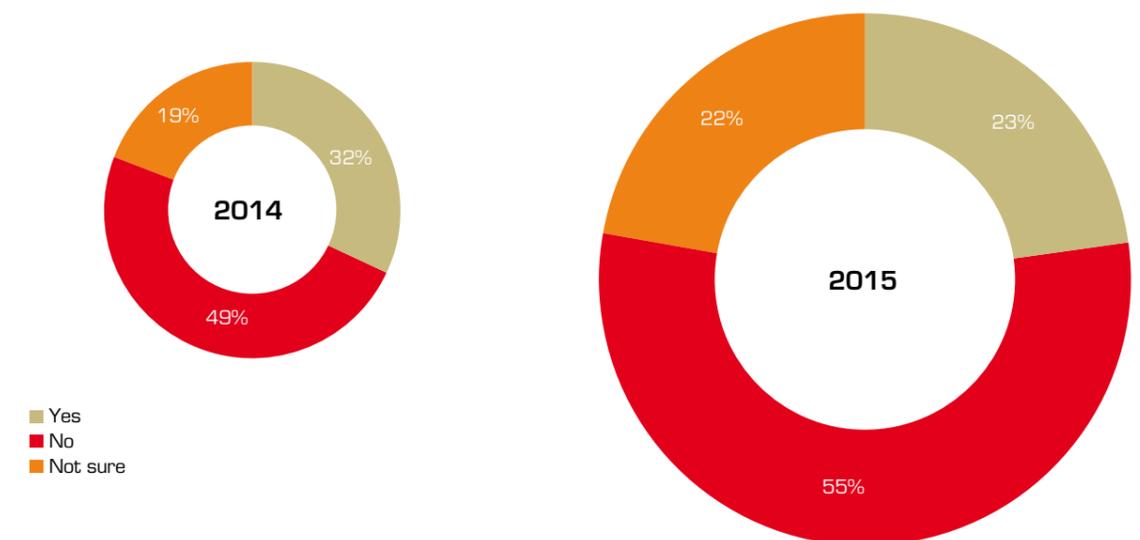


Table 4 shows the extent to which companies plan to renew their existing contracts without implementing an RFP process. It shows that they increasingly prefer to confide in a competitive process rather than renegotiating with a single supplier. This is a further indicator of market maturity and requires clients to train teams with specific capacities and knowledge in the field of outsourcing and governance models, in order to align supply with demand in an outsourcing environment.

Table 4. Intention to renegotiate without competition



Conclusions and recommendations

In the answers to the survey submitted by clients of outsourcing services, aspects such as account management and service provision quality scored highly. In contrast, the areas where greatest improvement is needed would appear to be related to increasing proactivity, change management and innovation capacity. These aspects can be improved by the service providers themselves and also by the clients through a series of recommendations in different areas.



Sourcing strategy

- Firstly, share a detailed definition of your core business and its context with your service provider or partner. This will help the provider make the right decisions and prioritise aspects based on their real value for the business.
- Clearly define the requirements, objectives and context of the contract. You should even document aspects which might in principle seem obvious; in particular, set out the different responsibilities in as much detail as possible. Many outsourcing relations fail as a result of ambiguous or unclear definitions with an imprecise scope.



Selection of suppliers and contracting

- Cost is not everything; it is also necessary to prioritise confidence, stability and a lasting relationship. Work on a model of governance that will take all of these aspects into account.
- As far as possible, avoid T&M (time and materials) models and work on a services model instead. A services-oriented model obviates the need to manage the outsourcing relationship at an individual task and/or activity level, which generally requires a great deal of work on the customer's part. Leave these aspects in the hands of the service provider and work instead on orienting the business and the impact of the results at an economic level and in terms of service quality.
- Manage a realistic plan and be flexible in answering questions and queries during the process. Let the provider work; at the end of the day, it will benefit your customers.
- View your service provider as a partner and demand high performance and value (innovation, continuous improvement, etc.). At the same time, ensure proper knowledge management (to avoid a relationship of dependency that might hinder future transition processes) and the right level of access to the real needs of the business.

Transition and change management

- Allocate enough internal resources for the transition process. As a client, lead the transition; don't leave it all in the hands of your outgoing and/or incoming providers.
- Pay more attention to the approach on transition and change management each provider proposes, as this has a strong impact on business.



Managing governance and providers

- Employ people with the right skills to manage sourcing and suppliers. Their function of aligning supply and demand is a critical success factor.
- Take charge of the governance of the services outsourced, leaving management to the providers. Consider services, quality levels and the impact on the business.
- Improve your skills and talent as an integrating factor in a multi-sourcing model.
- Review the service regularly and speak to those responsible for managing delivery of services. Tell your provider immediately if there are any relevant aspects to be improved or deviations to be rectified in the forecast service.
- Set out a detailed model of governance with partners and providers in the contract. Define responsibilities and mechanisms of communication and decision.
- Establish a good relationship/communication with your providers so that they understand the ultimate aim of the technology/services and the impact on customers. Share the real needs of the business and any changes in the business context with them. This will reduce the risk of having a governance model that is incapable of adapting the service, and which might therefore become obsolete, even when the service is provided as agreed.



Outsourcing is beginning to emerge as lever of change; new scenarios of digital transformation are introducing new contracting models and a demand for greater agility in service provision and especially in transition. Increasingly, it will be necessary to tackle transitions in outsourced services. This will become the 'new normal' of any technology organisation. It is therefore essential to have a specific organisation, which knows how to manage and govern the sourcing that will enable that prized agility to be achieved.

Outsourcing continues to grow in Spain despite reaching a greater degree of maturity

AEC members

Acknowledgements

The AEC would like to thank all the firms who contributed their information and their vision to this report, namely: Accenture, Altran, Antares Consulting, atSistemas, Atos, Axis Corporate, Ayesa, BABEL, Bilbomática, Capgemini, Cegos España, Connectis, Coremain, Deloitte, Efron Consulting, Entelgy, Ericsson, Everis, Exprivia, EY, Fujitsu, Gfi, GFT, Grupo Oesía, Hewlett Packard Enterprise, Hiberus Tecnología, Hitachi, Ibermática, IBM, IKEI, Informática El Corte Inglés, S.A. (IECISA), Indra, LKS, PwC, RSI, SATEC, Sermicro, Sopra Steria, Stratesys, Tecnocom, T-Systems, Unisys, VASS Consultoría de Sistemas, Viewnext, Worldline Iberia S.A.U. and ACEC.

accenture

ACCENTURE
Plaza Pablo Ruiz Picasso, s/n, planta 31
Torre Picasso
28020 Madrid
Tel.: +34 915 966 000
Fax: +34 915 966 695
www.accenture.es

altran

ALTRAN
Parque Empresarial Las Mercedes
Campezo, 1, Edificio 1
28022 Madrid
Tel.: +34 915 504 100
www.altran.es

ayesa

AYESA
Gonzalo Jiménez de Quesada, 2, planta 11
Torre Sevilla (Torre Pelli)
41092 Sevilla
Tel.: +34 955 043 600
Fax: +34 955 046 301

Bilbomática

BILBOMÁTICA
O'Donnell, 34, 4.º
28009 Madrid
Tel.: +34 915 782 790
Fax: +34 915 769 200
www.bilbomatica.es

Capgemini

CAPGEMINI
Anabel Segura, 14, Edificio Cedro
28108 Alcobendas – Madrid
Tel.: +34 916 577 000
Fax: +34 916 612 019
www.es.capgemini.com

cegos

CEGOS ESPAÑA
Fray Bernardino de Sahagún, 24
28036 Madrid
Tel.: +34 912 705 000
Fax: +34 912 705 001
www.cegos.es

connectis

CONNECTIS
Parque Empresarial Alvento
Vía de los Poblados, 1, Edificios C y D,
Planta 2
28033 Madrid
Tel.: +34 915 569 262
Fax: +34 913 185 632
www.connectis.es

Deloitte.

DELOITTE
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Tel.: +34 915 145 000
Fax: +34 915 145 180
www.deloitte.com

everis

an NTT DATA Company
EVERIS
Avda. de Manoteras, 52
28050 Madrid
Tel.: +34 917 490 000
Fax: +34 917 490 001
www.everis.es

EY

Building a better
working world
EY
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
Tel.: +34 915 727 200
Fax: +34 915 727 238
www.ey.com/es

gfi

Gfi
Serrano Galvache, 56
Edificio Encina, planta 7
28033 Madrid
Tel.: +34 913 836 320
Fax: +34 913 832 865
www.gfi.es

oesia

GRUPO OESÍA
Marie Curie, 19
28521 Rivas-Vaciamadrid
Madrid
Tel.: +34 913 098 600
Fax: +34 913 758 216
www.grupooesia.com

Hewlett Packard Enterprise

HEWLETT PACKARD ENTERPRISE
Vicente Aleixandre, 1
28232 Las Rozas (Madrid)
Tel.: +34 916 348 749
Fax: +34 916 348 900
www.hp.es

IBM

INTERNATIONAL BUSINESS MACHINES, S.A.
Santa Hortensia, 26-28
28002 Madrid
Tel.: +34 913 976 611
Fax: +34 915 193 987
www.ibm.com/es/

indra

INDRA
Avenida de Bruselas, 35
28108 Alcobendas – Madrid
Tel.: +34 914 805 000
Fax: +34 914 805 080
www.indracompany.com

INFORMÁTICA EL CORTE INGLÉS

INFORMÁTICA EL CORTE INGLÉS, S.A.
Travesía Costa Brava, 4
28034 Madrid
Tel.: +34 913 874 700
Fax: +34 913 874 776
www.iecisa.com

pwc

PwC
Paseo de la Castellana, 259 B
28046 Madrid
Tel.: +34 902 021 111
Fax: +34 915 685 400
www.pwc.es

sopra steria

SOPRA STERIA
Avda. de Manoteras, 48
28050 Madrid
Tel.: +34 911 128 000
Fax: +34 911 128 481
www.soprasteria.es

Tecnocom

TECNOCOM
Miguel Yuste, 45
28037 Madrid
Tel.: +34 901 900 900
Fax: +34 914 368 151
www.tecnocom.es

UNISYS

UNISYS, S.L.U.
Ramírez de Arellano, 29, 5.ª planta
Edificio Merrimack II, 28043 Madrid
Tel.: +34 913 535 800
Fax: +34 914 158 678
www.unisys.es

VASS

VASS Consultoría de Sistemas S.L.
Avenida de Europa, 1
28108 Alcobendas – Madrid
Tel.: +34 916 223 404
Fax: +34 916 616 833
www.vass.es

VIEWNEXT

VIEWNEXT
Avenida de Burgos, 8A, Edificio Bronce
28036 Madrid
Tel.: +34 913 834 060
Fax: +34 913 834 090
www.viewnext.com

worldline

WORLDLINE IBERIA S.A.U.
Albasanz, 16
28037 Madrid
Tel.: +34 914 408 800
Fax: +34 917 543 252
www.es.worldline.com

ACEC+

ENTIDAD VINCULADA: ACEC (Asociación Catalana de Empresas Consultoras)
Avinguda Portal de l'Àngel, n.º 36, 3.º
08002 Barcelona
Tel.: +34 934 925 737
www.asocat.org

20



Monte Esquinza, 34, 2.º B, 28010 MADRID • Tel.: +34 91 308 01 61
E-mail: consultoras@consultoras.org
www.consultoras.org

