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REPORT | MAY 2024

The Tech Capability Quandary

Accelerate delivery or build your team?

Uncovering the state of the Tech Professional Services marketplace

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EXECUTIVE SUMMARY

The pace of change in tech is outstripping paradigms built to solve yesterday's challenges. Now more than ever, leaders are being challenged to prove value from tech while navigating greater risks and costs. We explore the landscape of tech capability, considering the challenges at the intersection of tech delivery and talent that leaders must balance to realise value from emerging technologies.

The accelerating pace of development in AI is stretching tech leaders – and their teams – like never before. Big Tech is changing their ways of working to streamline and invest in AI, which is then permeating into other industries at the receiving end of their technology.

While leaders are still feeling the pinch, the need to prove value from tech is pressing. GenAI and competitive technologies have leaped to the top of the CEO agenda, as businesses look to transform their models and ways of working, either offensively or defensively, with tech.

But risk profiles remain high for using this tech. The demand for expertise to confidently implement AI products while minimising risk is soaring. But the UK and US' growing reliance on consultancies raises questions about organisations' independence and long-term adoption strategies for next-generation technology.

Leaders need to explore and understand the variety of ways they can access greater capability to navigate the changing tech landscape. The Big 4 are making plays for AI talent to grow their own tech capabilities and provide necessary guidance for industry at large. And Big Tech is booming as a result of AI – tech vendors also need partners to see their products secure adoption.

The tech consultancy and talent marketplaces are growing crowded, placing greater pressure on procurement teams to identify suppliers that match their interests and agendas with the flexibility required for the changing tech landscape. This report compiles market intelligence with the first-hand experiences from Kubrick's clients and partners to understand how organisations utilise partnerships to access the capability to realise lasting value from tech.

It's time for something new. Kubrick introduces Next-Gen Consulting: helping tech leaders accelerate delivery and build amazing teams – no more compromises. Their new market category, launched in 2024, calls into question the paradigms of consulting and staffing designed for yesterday's challenges.

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PART 1

KEEPING UP WITH THE PACE OF CHANGE

In the years since the COVID-19 pandemic - when the world was suddenly forced to digitise - the pace of technological advancement undoubtedly accelerated. Within months of moving to remote-enabled working practices, studies found the crisis promoted an acceleration of digitisation equating to around seven years[1]. But the acceleration in digital capability was not a temporary response to an unprecedented situation; it fits into an ongoing trend whereby technological advancement is exponential. When we step back and examine the history of technology, the relativism of the biggest changes is hard to comprehend. It took our ancestors 2.4 million years to develop the tools for cooking with fire, but there were just 66 years between the first flight and the first moon landing[2].

The advent of AI is pushing the boundaries of acceleration. Fuelled by equally exponential growth in data and compute, the last two years have seen unprecedented growth in AI's capabilities, marked against human performance[3] (see fig i). And the speed of development is only set to intensify; the exponential leaps being made year-on-year will increase once AI is able to self-improve, with research suggesting developments could reach 1,000x capability improvements in a single year within the next 15 years[4].

Figure i: AI's capability improvement against human performance [Source: Time]

Thus, one of the greatest challenges will be anticipating and adapting to this pace of change, meaning tech leaders will need to create a responsiveness within their teams to be able to keep up. This level of agility inevitably calls into question how leaders resource their teams: typical hiring practices may lead to over-investment in permanent staff who will require continual upskilling to adjust their roles according to technological advancement.

The effects of this need for agility are already being felt in the tech industry. The Big Tech Layoffs that made headlines in 2023[5] are still ongoing, in part due to an overinflation of data and technology teams during the boom of digitisation generated by the COVID-19 pandemic, and in part due to the streamlining capabilities of AI, as one report in the New York Times argues[6]. The report found that Big Tech themselves are investing in becoming leaner, AI-driven teams, which should come as no surprise given the advent of low-code/no-code

[1]https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Strategy%20and%20Corporate%20Finance/Our%20Insights/How%20COVID%2019%20has%20pushed%20companies%20over%20the%20technology%20tipping%20point%20and%20transformed%20business%20forever/How-COVID-19-has-pushed-companies-over-the%20technology%20tipping-point-final.pdf
[2] https://www.weforum.org/agenda/2023/02/this-timeline-charts-the-fast-pace-of-tech-transformation-across-centuries/
[3] https://time.com/6300942/ai-progress-charts/
[4] https://80000hours.org/podcast/episodes/tom-davidson-how-quickly-ai-could-transform-the-world/
[5] https://news.crunchbase.com/startups/tech-layoffs/#:~:text=What%20were%20the%20biggest%20tech,Facebook%20parent%20Meta's%20layoffs
[6]https://www.nytimes.com/2024/02/05/technology/why-is-big-tech-still-cutting-jobs.html

and other AI-powered technologies which reduce the need for mass manual data and software engineering capability[7]. And these changes are paying off. The 'Magnificent 7' (Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla) currently account for almost 30% of the S&P market cap, with Microsoft and Alphabet's share prices up more than 60% and 70% respectively[8]. The source of their success is the combination of innovation and streamlining. Analysts at JPMorgan wrote:

"The earnings story for the Magnificent 7 starts with cost control measures put into place after 2020's pandemic-era tech binge turned into a hangover in 2022 and part of 2023. Amid a slowdown in demand across business functions, the "hyperscalers" (Microsoft, Amazon and Google) tightened their belts on costs and reduced headcount to protect profit margins. Then ChatGPT burst onto the scene. Not only did the platform bring artificial intelligence into the limelight, it also increased real demand for artificial intelligence implementation and related services. We expected that the AI craze would ultimately create a reacceleration in cloud growth – something that came to fruition this earnings season. Microsoft's Azure, Amazon's Web Services and Google's Cloud Products all beat growth expectations in the fourth quarter, and management teams struck an upbeat tone on forward guidance. The combination of leaner cost structures and reaccelerating demand has offered a boost to earnings estimates for the year ahead."[9]

The boom in AI capability and a shift to lean, AI-driven practices in Big Tech is not occurring in isolation from the industries on the receiving end of their technology products. Downstream, the hype has seen GenAI leap to the top of the CEO agenda for 2024, according to McKinsey[10], closely followed by 'Outcompeting with technology' in second place. This jump to the top of C-Suite priority list presents a marked difference in outlook on the value of technology from just 6 months ago, where Gartner's research suggested that CEOs and CFOs ranked Technology-Related matters as the 3rd priority, after Growth and Corporate issues[11].

Figure ii: 8 CEO Priorities for 2024 [Source: McKinsey]

To support CIOs and CTOs to achieve value from AI, McKinsey also published a 'guide' with 9 actions, ranging from strategic overhauls and intensive research to the practical challenges of data architecture and data quality as a baseline for AI capability[12]. Though framed as a quick checklist, the guide is in fact an overwhelming amount of work to undertake for technology teams who are also still feeling the pinch. Despite the growing interest of the C-Suite in their tech functions' capabilities, tech teams are unlikely to receive any additional financial support to make their CEO's ideas for Generative AI and competitive technology a reality. Kubrick surveyed a sample of some 40 clients at the end of 2022 and 2023 to understand the sentiment around investment for the upcoming year. Despite the increased appetite from the C-Suite, the last year saw a decrease in the number of tech leaders reporting that they would 'definitely' secure more investment in data, AI, and cloud programmes compared to the year before (see fig iii).

[7] https://www.canva.com/design/DAFT5vIoAQ0/4doKrubnulDrl78A2s8b8Q/view?utm_content=DAFT5vIoAQ0&utm_campaign=designshare&utm_medium=link&utm_source=editor
[8] https://www.jpmorgan.com/insights/outlook/market-outlook/tmt-digging-into-the-big-tech-rally
[9] Ibid 8
[10] https://www.mckinsey.com/capabilities/strategy-and-corporate-finance/our-insights/what-matters-most-eight-ceo-priorities-for-2024
[11] https://www.gartner.com/en/articles/what-matters-to-ceos-and-cfos-right-now
[12] https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/technologys-generational-moment-with-generative-ai-a-cio-and-cto-guide

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What is the sentiment within your organisation/team around investment in data, AI, and cloud programmes/roles in the next year (versus the year before)?

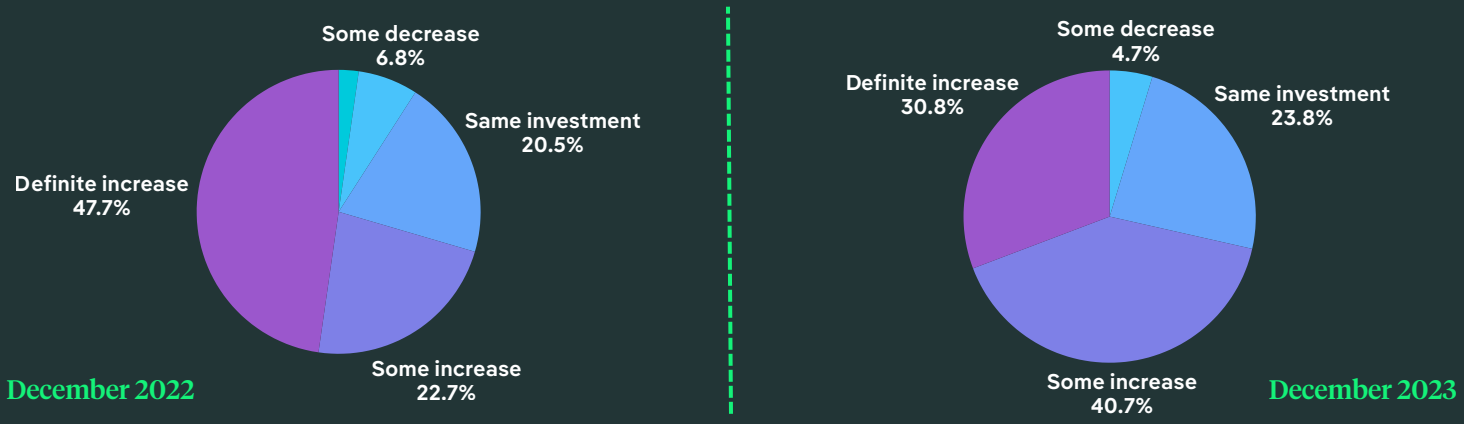

Figure iii: Sentiment around investment in next-gen tech. [Source: Kubrick]

Thus, the fatigue leaders feel while trying to keep up with the accelerating pace of change is furthered heightened by increased attention from the C-Suite on limited budgets and headcount. And this pressure is added to when considering the greater risk profile that the emerging AI technologies have compared to less complex data and machine learning capabilities. The lack of explainability, human intervention, and ethical challenges with bias and hallucinations are just a few of the hurdles technology leaders are trying to overcome in the race to implement AI – and without yet understanding the impact it will have.

"The need to prove the value of GenAI is the biggest challenge facing our clients – and Kubrick", said Kubrick Client Director George Eaton. "The exponential growth of requests from our clients for GenAI and LLM-driven Proof-of-Concepts (POCs) is outstripping demand for 'traditional' data engineering projects; we have never seen a faster departure from the skills and capabilities upon which Kubrick was founded. Today's market is willing to offshore data engineering capability – where anyone anywhere can be responsible for handling ETL and pipelining – but determined to pay the premium of onshore work with a trusted partner like Kubrick to ensure they explore GenAI capability to its fullest."

"The challenge is understanding the 'offensive' value of GenAI, where it can add commercial value in products and services, versus the 'defensive' value of using it to streamline processes and save time, money, and resource", added Lawrence Freeman, Kubrick's Director of Next-Gen Tech. "Our clients are asking them to help them figure out what these use cases are – or even if GenAI is the right solution for them. Our insights indicate that the hype of GenAI is too influential, whereby businesses are looking to implement it when other more cost-effective and less-risky advanced analytics solutions could be better placed to answer their challenge."

The short-term challenge of proving the use case and value of GenAI is just the start; how it disrupts the world of work beyond it is still unknown. In one report by the IBM Institute for Business Value, the vast majority of executives (87%) believe AI will augment rather than replace roles entirely[13]. Afterall, "GenAI is by no means a free replacement of labour", said Bryan Ackermann, Head of AI Strategy for the consulting firm Korn Ferry, in a recent interview for SHRM and the Burning Glass Institute[14]. "As enterprise vendors have released more GenAI products and a plethora of startups have done the same, these tools all remain reasonably expensive because of the costs of the underlying computing power", he concluded. Thus, the tension between potential workforce disruption and the cost of enacting change before realising any savings or efficiencies will require a highly agile and adaptive response to the outcomes, with a focus on change management and the ability to scale resource and investment up – or down – as the impact becomes known.

[13] https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/augmented-workforce
[14] https://www.shrm.org/topics-tools/news/all-things-work/ai-workforce-disruptions

So, tech leaders find themselves treading a thin line between access the capability to explore with rapidly developing technologies, while mitigating risk and cost, with the right skills and capabilities without investing in permanent teams while the value is yet to be known. And there is no need to commit to hiring; all this risk and uncertainty provides the perfect playing field for consultancies to maximise their opportunity to own the delivery of these emerging technologies.

PART 2 IS THERE A 'BIG CON'?

For many organisations, the multitude of interconnected challenges which surround AI and emerging technologies lend themselves directly to the services of the consultancy market. Indeed, the consulting industry continues to grow year-on-year, specifically within the US and UK as the two largest markets for consulting practices[15]. Indeed, it is possible to correlate the increase in demand for consultancies with the accelerating pace of change in tech - and the various strategic and workforce challenges that result. However, for economists and writers Mariana Azzucato and Rosie Collington, the Big 4 are putting the 'con' in 'consulting' [16].

Their book, 'The Big Con: How the Consulting Industry Weakens Our Businesses, Infantilizes Our Governments and Warps Our Economies' (published in 2023), explores how our reliance on consultancies can risk organisations losing their autonomy and own capability. The book largely focuses on scandals from the public sector, where in the UK spending on Big 4 consultancies have ballooned in recent years to equate to the salaries of 10,000 civil servants[17]. For some, the red flag of overreliance appeared last year, when ministers dropped restrictions on spending controls for firms lasting more than 9 months or exceeding £600,000, which were first introduced in 2011[18].

Nonetheless, the ability of consultancies to respond and adapt to the challenges of the changing technology landscape is a strong advantage for themselves - and their clients. Largescale layoffs in the Big 4 over the last year were in part due to challenging economic conditions, but also lay the groundwork for a larger scale repositioning within their tech advisory work and data analytics services, according to Bloomberg[19]. By fundamentally changing their own business models to cater to the new demands of the business world, they continue to demonstrate the power of consultancies to support organisations to transform. This kind of responsiveness is already showing strong results for their clients. According to one report in Forbes, businesses who are investing millions in GenAI solution delivery with Big 4 consultancies are forecasting the return of their investment in as little as three months, thanks to the cost savings and higher revenues they are able to achieve with the technology[20].

Yet, scepticism of Big 4 consultancies and their agendas to draw out projects and create reliance on their services is not forgotten. In the words of one Kubrick client, "There's quite a lot of political bulls***t involved in having an external consultancy in. So, if we brought Accenture in, we'd have had governance meetings, oh crickey, four times a week, and all this nonsense." Nonetheless, there is a reason the phrase 'Nobody ever got fired for buying IBM'[21] continues to echo in boardrooms, though its unknown origin dates back decades. The risk and complexity of experimenting with GenAI and other next-gen technologies raises reputational questions, making big players easier to procure from a reputational standpoint. And, as GenAI tools become more readily available for public consumption, permeating business units with little to no training, it becomes increasingly difficult for data and tech teams to maintain control[22]; the widespread risk may well call for external support to handle.

[15] https://www.statista.com/topics/2247/consulting-services-industry-in-the-us/#e
[16] https://www.theguardian.com/books/2023/feb/16/the-big-con-by-mariana-mazzucato-and-rosie-collington-review-how-consultancy-firms-cash-in
[17] https://www.theguardian.com/commentisfree/2021/sep/20/britain-public-sector-consultancy-habit-pandemic-private-services
[18] https://www.theguardian.com/politics/2023/feb/06/ministers-quietly-scrap-limits-on-whitehall-spending-on-consultants
[19] https://news.bloombergtax.com/financial-accounting/big-four-reshape-consulting-workforce-strategy-with-rare-layoffs
[20] https://www.forbes.com/sites/petercohan/2023/09/23/why-companies-buy-generative-ai-consulting-the-3-month-payback-factor/?sh=67f521576cf6
[21] https://www.forbes.com/sites/duenablomstrom1/2018/11/30/nobody-gets-fired-for-buying-ibm-but-they-should/?sh=138e3af948fc
[22] https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-organization-of-the-future-enabled-by-gen-ai-driven-by-people.

When it comes to lowering the risk of implementing AI, regulation is forthcoming, but not here yet. The EU AI Act has made steady progress towards enactment into law[23], with significant strides in the last month alone after a provisional deal was reach at the end of 2023[24]. Though the Act promises the necessary guardrails to improve confidence in AI safety, governance, and ethics, undoubtedly organisations will require expert support to understand the legislation and enact changes to comply. This level of expertise is, of course, the domain of consultancies, who can provide the resources and research to provide best practice. At the same time, they mitigate the risk of investing in inhouse capability to manage largescale upheavals like the implementation of the EU AI Act alongside ongoing workstreams and delivery demands.

So, the challenge remains: how to identify the right time and type of consultancy to use to deliver value, without becoming reliant on the capabilities of a consultancy to utilise the technology on a day-to-day basis. We can understand this challenge by considering the type of professional services support required against the Gartner® Hype Cycle™ (see fig iv), from Research and Advisory requirements as the technology develops, through to Implementation, Adoption, and Staffing as the technology becomes entrenched in working practices.

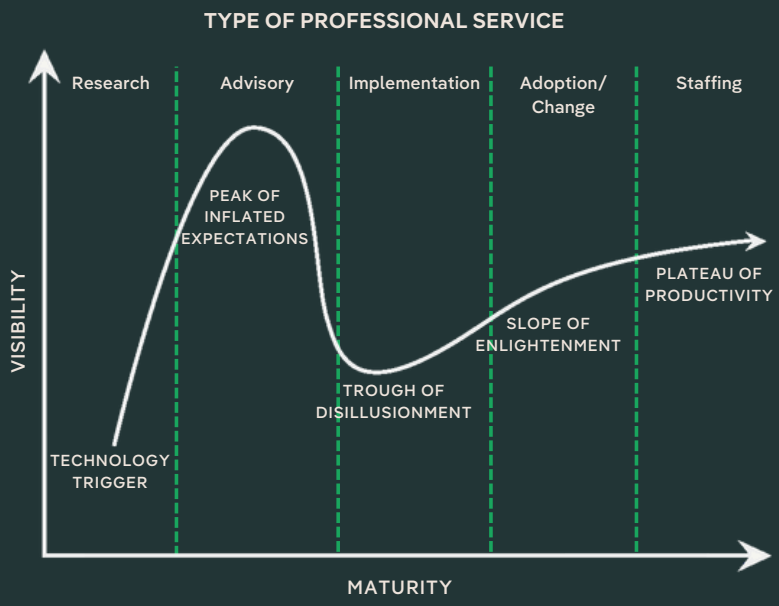

Figure iv: Professional services required as tech progresses through the Gartner® Hype Cycle™ [27]

Leaders must consider their challenges and roadmap carefully, keeping an eye on their engagement with consultancies beyond the 'Trough of Disillusionment' and into the 'Slope of Enlightenment', where the need to secure autonomy in product adoption and shed reliance on consultancies will determine their long-term capability and investment in inhouse teams.

PART 3 THE TECH TALENT GAP PERSISTS

Returning to McKinsey's CIO 'guide' for equipping their business to embrace GenAI[25], building and upskilling a team is very much still on the agenda. Namely, 'creating a centralised, cross-functional generative AI platform team'. The irony of the suggestion is that the Big 4 are snapping up a large proportion of the limited AI talent pool available in the market. Research from Kubrick has found that of the Top 150 companies hiring for AI talent, the Big 4 dominate (see fig v) – which is of no surprise, given their move to restructure around their tech advisory and delivery capabilities[26]. Thus, while tech leaders are still trying to figure out the value from GenAI, large consultancies will be equipped with the talent and expertise to assist them. However, returning to Gartner's Hype Cycle™ , once these technologies reach the stages of the 'Slope of Enlightenment' and businesses require long-term adoption capability (see fig iv), the scarcity of talent in the hiring market will become the next challenge.

[23] https://www.kubrickgroup.com/insights/inside-the-eu-ai-act-insight
[24] https://www.europarl.europa.eu/news/en/press-room/20231206IPR15699/artificial-intelligence-act-deal-on-comprehensive-rules-for-trustworthy-ai
[25] Ibid 12
[26] Ibid 19
[27] Gartner® Hype Cycle™ is a registered trademark of Gartner®, Inc.

Companies with Highest Demand for AI Jobs

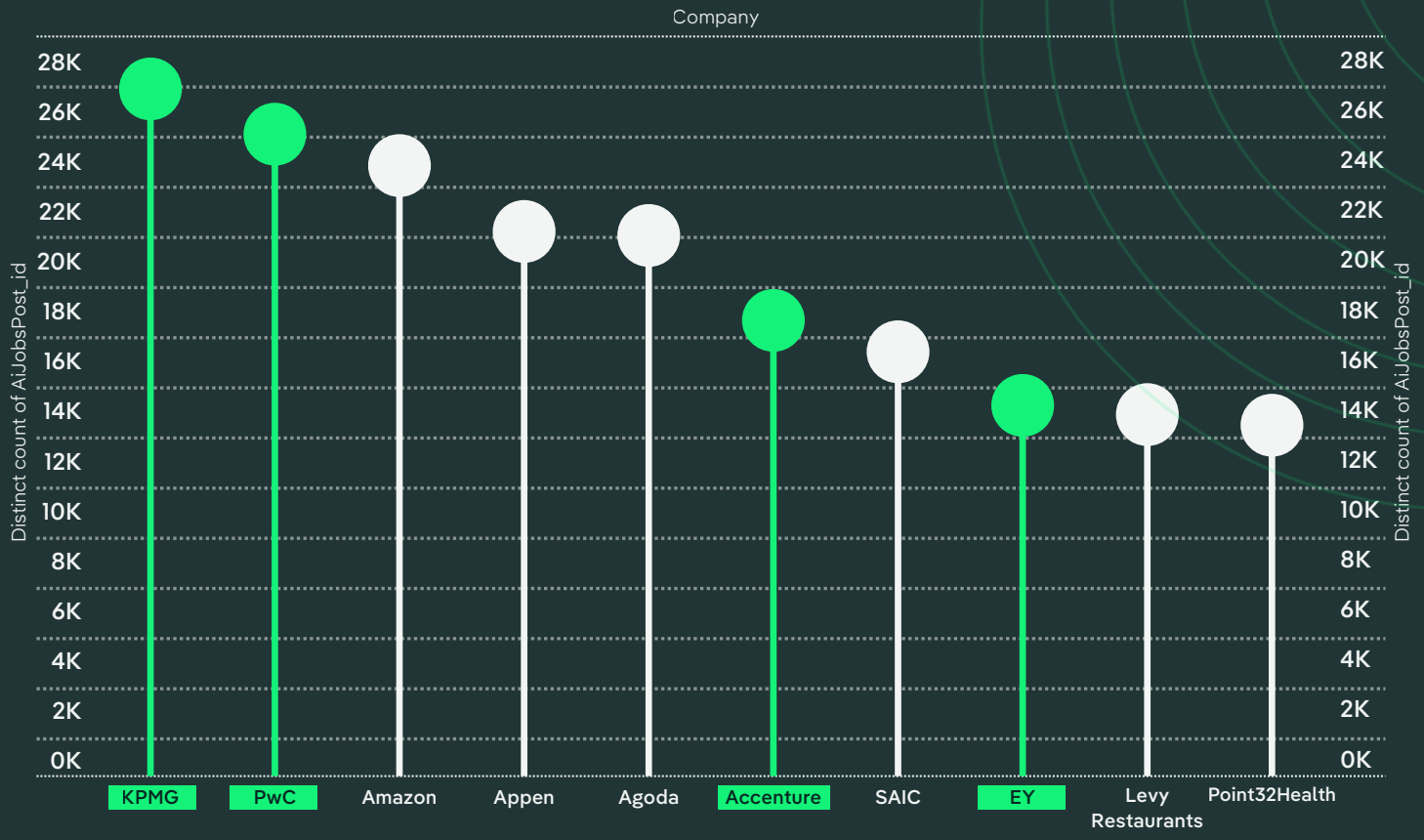

Figure v: The Top 10 companies hiring for AI roles [Source: Kubrick via LinkedIn]

And still the tech talent gap grows, widened by the accelerating pace of change. When examining the pathways to create AI talent, it is clear that traditional education routes will fall further behind. Analysis from Kubrick reveals that only a third of UK universities (56 out of 166) offer Data Science BSc courses as a differentiated area of study from Computer Science. The growth in the field of the last decade, where in 2012 there were 0 dedicated Data Science courses, demonstrates a clear interest in the candidate market and to fulfil industry needs, especially as the need for more specialised data scientists grows.

However, when examining the syllabi from across a range of the UK's top university courses (UCL, University of Leeds, University of Bristol, and more), employers may still be disappointed at the lack of real-world application. Confined to the bounds of limited time and academic requirements, modules focus on the fundamentals and theory of statistics, algebra, and applied analysis – with areas like MLOps and AI ethics untouched. If it takes another decade to see all universities delivering data science programmes, developments in AI will have undoubtedly outstripped the subject matter – and undoubtedly augmented the teaching itself.

Likewise, the Hire-Train-Deploy (HTD) market is also falling behind. When analysing the syllabi for the training programmes provided by HTD businesses, Kubrick analysts found the primary focuses were either learning to configure out-of-the-box solutions, such as Salesforce, or training on standardised industry approaches, such as PMBOK (Project Management Body of Knowledge). By the nature of their standardisation, these domains are relatively quick and cost-effective to train, drawing on a wealth of pre-existing material and clear expectations of requirements by businesses.

These areas of focus still are important for filling the talent gap in the market where a technology or skillset reaches the Plateau of Productivity on the Hype Cycle™, as organisations need support on the staffing end of the professional services spectrum (see fig iv). Nonetheless, this singular focus on specific talent gaps, such as Salesforce Administrators, mean that many HTD models don't provide breadth of knowledge and foundational skills to enable the upskilling or reskilling required to keep up with the pace of change, where the roles they currently address may be threatened by AI augmentation or replacement.

As the skills and talent gap widens earlier in the Hype Cycle™, where organisations need support to implement and adopt emerging technologies, HTD models struggle to balance the cost and risk. Without industry-standard materials, providing high quality training in next-generation technology requires extensive inhouse research, investing in expert-level training staff, high standards for recruiting candidates, and strong client communication and partnerships to understand and predict their changing needs.

"The Hire-Train-Deploy market has become a race to the bottom", said Kubrick co-founder and CCO Simon Walker. "When we founded Kubrick in 2016, we were a first mover in the space – and our focus on Data Engineering was a cutting-edge capability, compared to the types of technologies being taught in bootcamps at the time. Our first mover position remains, as we see the Hire-Train-Deploy model being cheapened by new competitors who focus on outdated tech stacks or business technologies like Salesforce and Excel administration, instead of the next-generation technologies like data, AI, and cloud that help businesses fundamentally evolve. And we get why others can't compete with us: it is expensive and difficult to hire our calibre of consultants and skill them in the emerging technologies which don't have a blueprint for training. That's why we invest so much more time, resource, and salary into the training and development of our consultants. However, we're seeing more and more Hire-Train-Deploy businesses lessen the value of the model by reducing their training quality and time, cutting salaries, and ultimately limiting the opportunities for their employees."

PART 4 MAKING SPACE FOR SOMETHING NEW

In the fast-changing world of technology, major consultancies are strategically positioned to competitively hire the expert talent organisations need for advisory support before investing in their own teams. Moreover, when it comes to tech delivery, their ability to draw on their accrued experience and replicate projects minimises the risk and increases the speed of delivery for their clients. In this moment of great uncertainty surrounding AI, the need for capability support has never been stronger.

One of Kubrick's clients, a CDO at a major airline, said, 'You need different flavours of consultancies for different purposes. As a leader tasked with balancing my delivery challenges and ensuring I'm building the permanent capability our business needs to evolve, I recognise how important it is to adapt my strategy around the budget and headcount I receive to be able to maximise the value of my partnerships. And, as an ex-consultant myself, I know the value of the delivery they can offer, with the experience and specialist focus that we can't replicate inhouse."

And this is changing how Kubrick is operating in response to their clients' needs. Kubrick is already enabling clients to access delivery capability through self-managed squads, facilitated by their team of Squad Leaders and Delivery Leads.

The solution delivery team, known as Kubrick Advanced, has grown to 70 members since 2019. The team is largely made up of consultants who undertook Kubrick's 2.5-year HTD-style training and consulting pathway, and then returned inhouse to lead squads of recently trained consultants on 3-9-month projects. As demand for Proof-of-Concepts, product delivery, and solution adoption in emerging technologies increase, opportunities for the Kubrick Advanced team now account for over 60% of Kubrick's inbound projects from clients – a stark leap from 30% in the last quarter alone.

However, realising true value from next-gen tech requires lasting adoption – meaning the inhouse capability to drive ongoing product development and cultural change. The limitation of traditional consultancies is the inability to retain the necessary but scarce skills and talent, which leads organisations into the dilemma: become over-reliant on consultancies for continued support beyond implementation, or see the efforts and (often eyewatering) costs of the advisory and delivery support undone without reaching adoption. It is at this intersection of delivery and talent augmentation that Kubrick has been growing their focus, leveraging the delivery capability of Kubrick Advanced to design and implement data, AI, and cloud solutions while still offering clients the ability to retain junior members of the squad beyond the initial project scope – and ultimately as full-time team members, as part of Kubrick's HTD model.

This combined offering is designed to enhance product adoption with long-lasting capability, utilising the know-how of the product's developers to continue improving its features and capabilities. But is also provides a more cost-effective alternative to using consultancies to derisk delivery; clients can retain more junior resource to undertake ongoing development, instead of becoming reliant on more costly Big 4 resources to carry out continuous workstreams or other Business as Usual (BAU) activities.

And this ability to retain talent is also critical to minimising the disruption that next-gen tech brings. Martec's Law, created by Hubspot's VP of Platform Ecosystem Scott Brinker for the Chief Marketing Technologist publication[28], theorises that the logarithmic change of organisations requires a 'reset' in order to keep up with exponential change in tech (see fig vi). It is this disruption of 'reset' periods that can only be achieved with outside support, but it adds to the tension and scepticism that is associated with consultancies.

Martec's Law

Technology changes exponentially (fast), yet organisations change logarithmically (slow).
How do we manage that?

Eventually, organisations must "reset" to a new technological baseline - but such transitions are extremely disruptive.

Figure vi: Martec's Law [Source: Scott Brinker via ChiefMartec]

[28] Martec's Law: the greatest management challenge of the 21st century - Chief Marketing Technologist (chiefmartec.com)

However, Kubrick's blended offering of delivery and talent augmentation has demonstrated a unique ability to deliver long-lasting change while minimising disruption as a trusted partner. One global pharmaceutical company, who had been partnering with Kubrick to grow its early talent pipeline for years, collaborated with Kubrick to achieve a largescale architecture and analytics overhaul. Their R&D team were aware of storage and transportation inefficiencies in their supply chain, leading to excessive costs, wasted products, and inconsistencies in shipping methods which resulted in poor visibility to predict supply and increased environmental impact. They were inhibited from advancing their predictive analytics by costly legacy data architecture, which caused siloes in their data sources and was too slow to supply the near-real-time data required for insight to govern their supply chain.

With the guidance of their inhouse technical team, Kubrick helped scope an all-in-one solution to migrate their data to a Snowflake Data Lake, from which they could supply near-real-time data to create a knowledge graph with Neo4j. Kubrick utilised their Accelerator programme to supply 30+ Data Engineers to provide a POC in a rapid 2-week sprint, which unlocked budget for the R&D team. The project also secured £23,000 in additional funding from Kubrick's partners at Snowflake, becoming the first consultancy to access this type of funding on behalf of a client. Kubrick then deployed self-managed squads of consultants to undertake the mass migration and analytics product builds in just 1 year.

By creating a near-real-time platform to connect 1 billion data points, the tooling provides the capability to recognise and predict supply chain challenges, enabling the client to project savings in the millions across shipping time, reporting time, and reducing waste. All the while, the client maintained the option to retain consultants beyond the delivery and ultimately convert them to full-time employees, minimising change disruption by building their team with talent they know and trust.

Though the benefits of their model are clear, Kubrick's positioning at the intersection of talent augmentation and tech implementation has been a challenge for their commercial team. The marketplace for professional services in tech is crowded and segmented by capability (see fig vii).

When analysing the market segmentation, it became apparent that the paradigms of consulting and staffing were not designed to keep up with the pace of change in technology and the agility it requires. Therefore, instead of trying to shift Kubrick's position around preexisting models, the demands of next-gen tech require something different.

For Kubrick, it was clear: it was time for something new.

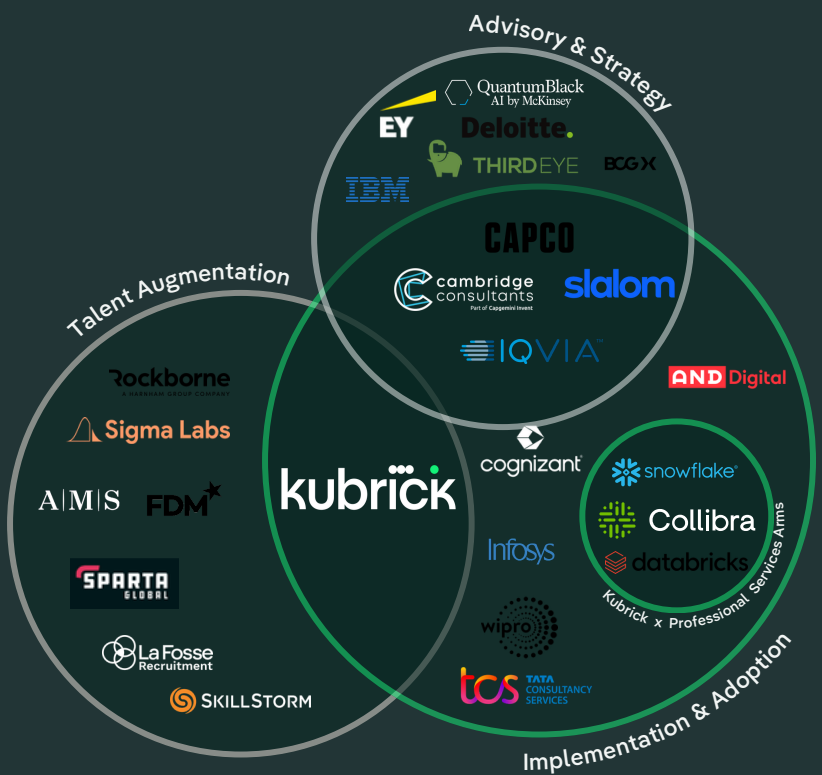

Figure vii: The Tech Professional Services Market by capability [Source: Kubrick]

Introducing Next-Gen Consulting

A new market category designed to help organisations accelerate delivery and build amazing teams, scaled and flexible to the specific requirements of the clients.

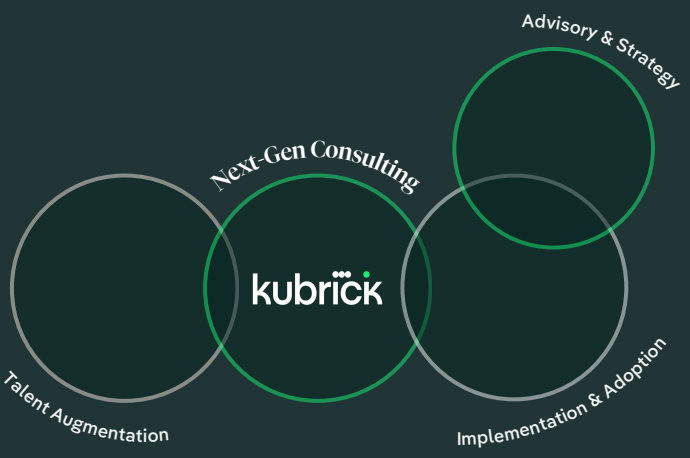

Figure viii: Positioning the Next-Gen Consulting category in the tech professional services market [Source: Kubrick]

The category, created by Kubrick to encapsulate their unique consultancy model, challenges the longevity of the HTD model while presenting organisations with an alternative to reliance on traditional consultancies (see fig viii). Next-Gen Consulting allows clients to engage self-managed squads to undertake their tech delivery outcomes or individual consultants to inject capability into BAU or ongoing workstreams, while maintaining the option to retain resources beyond project scope – and eventually offer them full-time roles.

The model enhances long-term adoption, helping clients prove the value of their solutions in order to secure the headcount to sustainably build their teams with talent they know and trust, removing the risks of standard hiring practices. The model allows Kubrick to partner more strategically with their clients to help transform with tech as it moves through the Hype Cycle™, minimising the reliance on traditional consultancies in the later stages of adoption while minimising the disruption of change management (see fig ix).

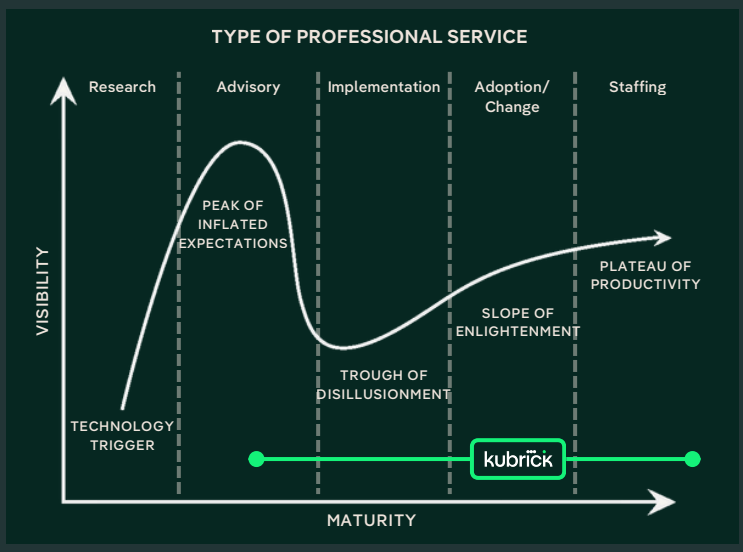

Figure ix: Kubrick overlay of professional services and talent implications on the Gartner® Hype Cycle™ [29]

"Over the last several years, we've been investing heavily in the differentiators that make Kubrick a strategic partner for organisations that are fundamentally evolving as a result of next-gen tech", said Kubrick CEO and Co-Founder Tim Smeaton, explaining how Kubrick came to realise the need for a new market category. "We had already been cultivating exceptional capability within our Kubrick Advanced team, whilst aligning closer with our Tech Partners to support the implementation and adoption of their products. But we didn't want these services to operate in silo from what was our 'core' HTD capability. Rather, we saw them as intertwined, complimentary services that give our clients a unique flexibility to maximise impact and minimise cost.

"Next-Gen Consulting still recognises the scarcity of talent available in the market, and our training programmes are absolutely fundamental to our ability to deliver", Smeaton continued. "We're creating the next generation of tech leaders, who are trained in the next-gen tech skills which drive transformation. But this model is about so much more than skills and solutions; it challenges the outdated playbooks of traditional consultancies, which don't help businesses realise true value from their products. By lowering the systemic barriers to enter the tech industry with our salaried training, we're able to build a diverse workforce who both challenge biases but also integrate with our clients' teams in a way that removes the frictions of other consultancies - and their agendas."

[29] Gartner® Hype Cycle™ is a registered trademark of Gartner®, Inc.

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