IDC MarketScape

IDC MarketScape: Asia/Pacific Digital Business Consulting and Implementation SPs 2024 Vendor Assessment

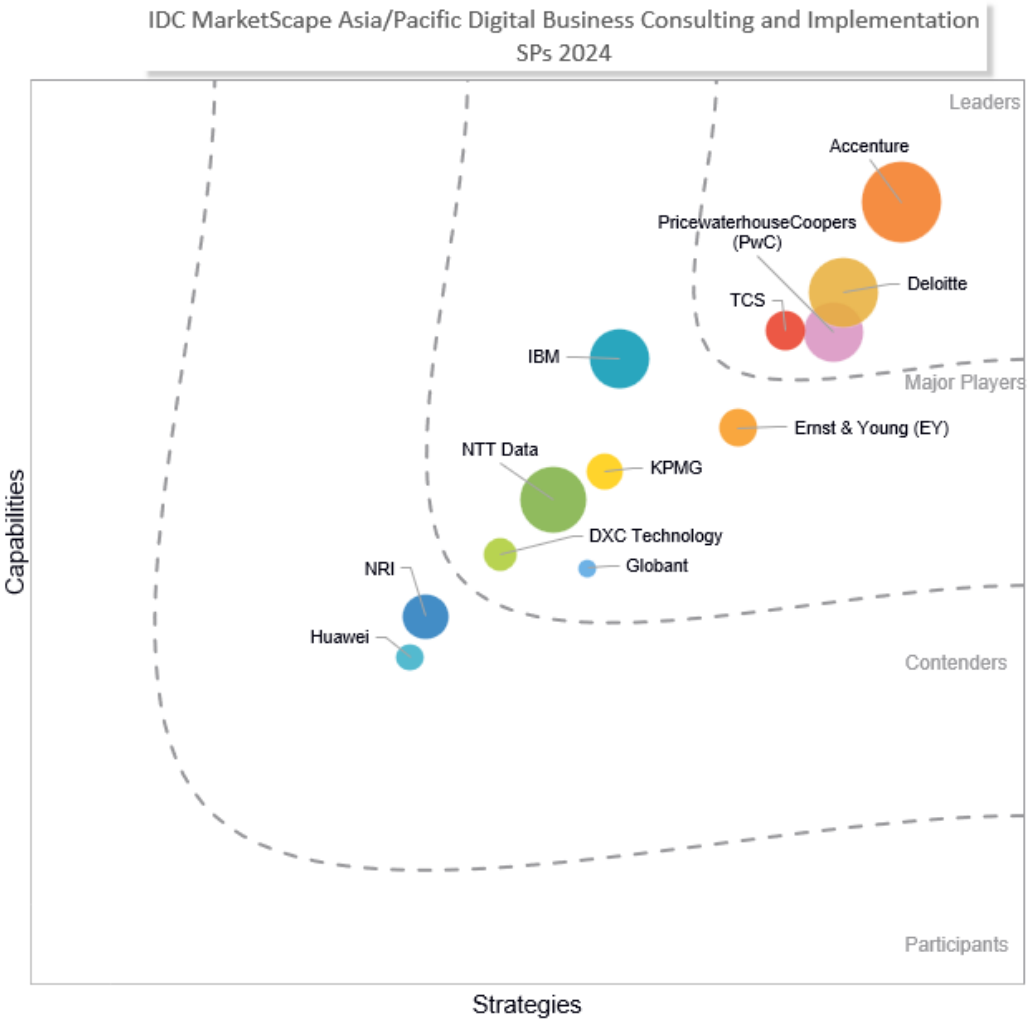
Lawrence Cheok

THIS IDC MARKETSCAPE EXCERPT FEATURES PWC

IDC MARKETSCAPE FIGURE

FIGURE 1

Asia/Pacific Digital Business Consulting and Implementation SPs 2024 Vendor Assessment



Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

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IN THIS EXCERPT

The content for this excerpt was taken directly IDC MarketScape: Asia/Pacific Digital Business Consulting and Implementation SPs 2024 Vendor Assessment (Doc # AP50445323). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Asia/Pacific (including Japan) (APJ) is at a new phase of business transformation — AI everywhere. APJ CEOs are embracing AI as a cornerstone of their strategic vision with a strong consensus — 69% see AI as an enabler for differentiation and growth. At the same time, APJ C-suites see generative AI (GenAI) as the technology of choice for new investments in 2024 and beyond. C-level leaders across technology, front-office, and back-office functions are unanimously investing in GenAI use cases as part of their digital initiatives.

As enterprises shift from scaling digital internally to using technology to compete, they must use technology and AI to transform their business and operating models and enable new ways of working across the enterprise. As such, the broad GenAI interest is catalyzing equivalent investments in AI- and data-related investments by building data-centric platforms and capabilities to underpin their organization.

Increasingly, business and technology leaders are articulating their digital business architecture, road maps, and the way they are leveraging technology strategically to achieve business goals and outcomes. Our research shows that globally, leading digital organizations see between 10 and 16 percentage points of higher improvements in business outcomes compared with their APJ peers. Across areas of customer satisfaction, sustainability, business agility, employee productivity, and innovation, digital leaders outperform by building upon and leveraging digital capabilities.

These organizations target technology investments to build up a data-centric platform architecture that enables new digital business and operating models and a digital workforce by using data and AI to fuel and drive the organizations' value creation activities. The digital business architecture serves as the digital business engine comprising a multilayered enterprisewide technology architecture that integrates multiple systems and applications to enable use cases that ensure business competitiveness and innovation. Through strategic investments, the digital foundation enables new digital capabilities, including GenAI and AI, to be built upon each other to accumulate compounding benefits over time.

To this end, it is vital that organizations lay the digital foundation by connecting business and technology strategies and accelerate digital initiatives' time to value. Most APJ organizations have embarked on this transformation journey. Around 66% of APJ organizations have developed a digital strategy and are in the process of transforming portions of their business. However, digital initiatives are laden with hurdles, including the C-suite's lack of technology knowledge, insufficient business cases, delays because of security and risk concerns, lack of employee buy-in, and lack of digital skills.

These are areas in which expertise from business and technology SPs is needed. Beyond traditional "best-of-breed" approaches to professional service consumption, buying organizations can benefit from tech SPs with end-to-end service capabilities that connect business strategies, technology architectures, and digital implementations to accelerate transformation journeys and outcomes.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

For this IDC MarketScape, we have included tech SPs that provide project-based consulting and implementation services within APJ. These vendors have well-established reputations in providing business and IT services to support their clients in business transformation. Vendors were short-listed based on the following criteria:

- **Digital business consulting services.** This includes advisory related to digital business, operating and/or organization model transformations. It includes digital business strategy formulation, operating process redesign, and organization change consulting.
- **Technology consulting services.** This is about advisory related to the realization of a digital business architecture that enables digital business resilience, agility, and innovation. This includes elements of cloud-based infrastructure, a unified and data-driven intelligence foundation, modular application architecture design, and embedded security and compliance at scale, among others.
- **Project-based professional services.** This includes systems and network integration and custom application development as part of use case realization.
- **Revenue.** These are tech SPs with an APJ revenue of at least US$100 million and two or more of the service areas previously mentioned.

For this study, we evaluated providers based on 10 selected industries and their related digital use cases. They include banking, education, energy and utilities, healthcare, insurance, manufacturing, oil and gas (O&G), retail and ecommerce, telecommunications, and transportation and logistics.

ADVICE FOR TECHNOLOGY BUYERS

Build Toward a Digital Business Architecture

IDC believes that every digital business must be enabled by a digital business architecture. These platform-centric designs are built upon principles of experience-led, intelligent, modular, agile developed, trust, and cloud-native to effectively leverage technology components, such as hybrid/multicloud services, application programming interfaces (APIs) and micro services, process automation, and GenAI, AI, or ML services (see Figure 2).

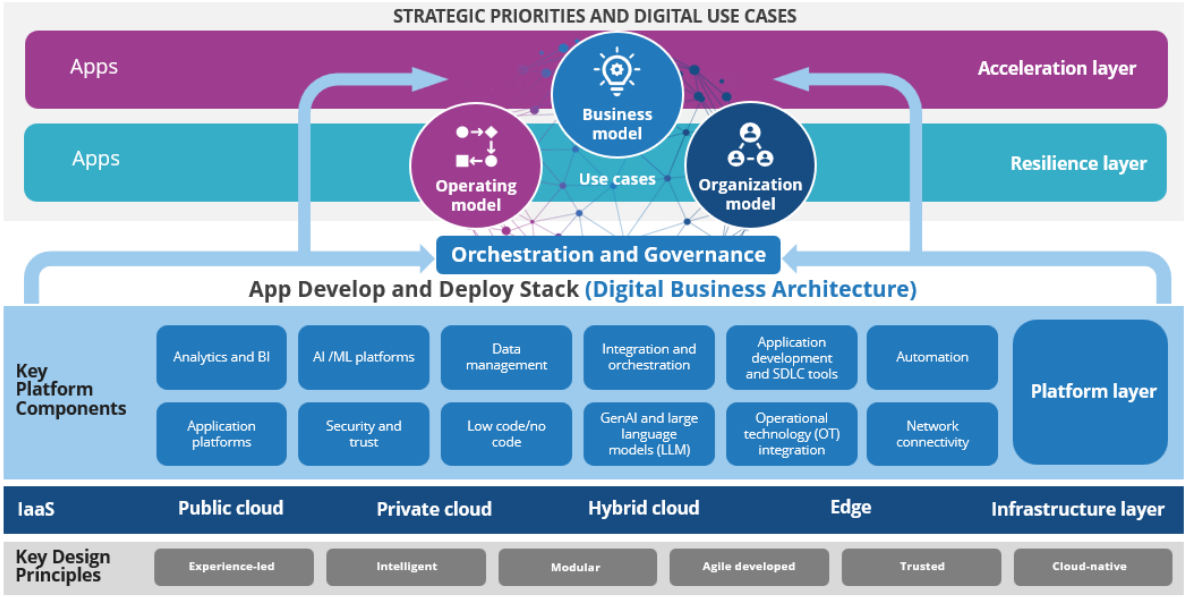
The platform-based approach delivers a modernized and simplified IT foundation upon which digital use cases are developed with enterprisewide consistency and scale. In so doing, businesses ensure business resilience, accelerate innovation, and accumulate competitive advantage.

The three layers and their interconnections provide a framework to connect business strategies, technology architectures, and value realization:

- **Platform and infrastructure layers.** Underlying technology components and platform services, including key infrastructure building blocks and enterprise applications, are integrated to ensure enterprisewide consistency, resilience, and scale.
- **Resilience layer.** This layer comprises industry use cases to build resilience and remain competitive in the market through risk mitigation, cost efficiencies, and process and operations improvement.
- **Digital acceleration layer.** This layer comprises industry use cases to grow and scale through digital innovation, new business models, and new products and services.

FIGURE 2

Using Digital Business Architectures to Accelerate Business Transformation



Source: IDC, 2024

Every digital enterprise will have to manifest their digital business architecture in a way that represents each business' unique mission and goals. To transform the business, the enterprise must move away from tactical application-led customizations to data-centric and architecture-led platform services that are scalable and reusable. This means a thorough assessment and connection between strategic priorities, the current state of the IT estate, and the ongoing investments required to realize new platform services and use cases. Based on this assessment, each enterprise will develop its build-versus-buy mix by buying commodity applications and services while building differentiating digital capabilities.

By using strategic architecture to guide technology investments, organizations future-proof today's investments through reusable platform services that scale to accrete resilience and growth capabilities. To this end, tech SPs aid in this journey through business and technology advisory, platform design, integration, and use case implementation capabilities. However, technology buyers should look beyond these direct services and evaluate candidates with a more strategic lens. This study shows that providers' industry expertise, reusable IP assets, and breadth of ecosystem partners bring strategic benefits beyond "headcount" transactions. With the right engagement model, these expertise and capabilities can be brought to bear in a client-centric manner to de-risk digital execution gaps, accelerate time to market of new digital offerings, and reinvent businesses.

Recommendations

In shortlisting business transformation SPs, technology buyers can best benefit by:

- **Shift toward a strategic service consumption mindset.** Beyond "best-of-breed" service consumption, look for providers that can provide a breadth of services that connect business and technology with a thorough understanding of your industry. This simplifies the complexity of managing, coordinating, and aligning multiple vendors to focus on driving innovation and growth.

- **Leverage transformation SPs' expertise, talent pool, and ecosystem in platform realization.** This includes a service offering to perform a thorough assessment of your current IT estate and envisioning a future state that supports the business vision and future business model. Also, transformation SPs in this study have proven expertise in integrating platform technology components following key platform design principles. These principles serve as the bedrock for building scalable digital business platforms.
- **Accelerate business transformation by leveraging these SPs' IP assets.** Transformation SPs often invest into configurable IP assets and embed industry best practices into industry accelerators. Look for transformation SPs with assets matching your prioritized use cases. At the same time, look for those with software-as-a-service (SaaS) consulting platform offerings that facilitate data-driven ideation and strategy formulation to further guide and accelerate the fuzzy front end (e.g., digital maturity assessment, platform architecture and design, road map formulation, and so on) of the transformation journeys.
- **Harness providers' industry experience to unlock the "art of possible**." Transformation SPs benefit from accumulated industry and cross-industry experience across multiple projects to promulgate and cross-pollinate digital business best practices. Coupled with their technology know-how, a strategic partnership opens the possibility of unlocking new possibilities in business model reinvention to build competitive differentiation.
- **Seek to grow together with strategic partners.** Multiyear business transformation initiatives best benefit by using transformation SPs that deeply understand your business and technology. Long-standing partnerships evolve and are built upon well-defined outcomes that evolve as your business transformation journey unfolds. To this end, look for collaborative SPs with a proven track record in evolving their capabilities alongside their clients.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. Although every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and opportunities.

PricewaterhouseCoopers

According to IDC's analysis and buyer perception, PricewaterhouseCoopers (PwC) is positioned in the Leaders category in this 2024 IDC MarketScape for Asia/Pacific Digital Business Consulting and Implementation SPs.

Recognizing the need to help clients adapt to a rapidly changing digital-first economy, PwC continues to diversify from traditional accounting and auditing services toward being a leader in digital business transformation services. The provider promotes a working philosophy known as Business, Experience, Technology (BXT) that is applied to tackle client challenges in a holistic manner, integrating strategy with user experience and technology. The framework combines business strategy, a human-centered approach to experience, and engineering capability to drive growth through innovation.

PwC leverages Asset Based Solutions (ABS) as building blocks to accelerate business transformation. Positioned as Industry Clouds, these assets include collections of cloud services, integration fabrics, products, and tools designed to provide industry-specific capabilities that are modernized natively for cloud platforms and delivered at scale. Its approach is to infuse Industry Clouds with cross-industry expertise, leveraging its accumulated intellectual properties and retooled IP assets of more than 1,000. With this approach, the assets developed for one industry

can be mined to address challenges in others, allowing cross-pollination of best practices across the entire PwC ecosystem.

A key enabler to PwC's strategy and approach is its relationships and experience with a curated ecosystem of macro and micro technology providers. The macro provider ecosystem encompasses cloud SPs and SaaS business applications, whereas micro providers enrich offerings with innovation and distinctive industry and subsector-specific solutions. In conjunction, these technology providers enable PwC to both competitively differentiate clients' businesses as well as make them more effective and cost efficient to operate.

To aid clients in embracing the era of AI everywhere, PwC is investing US$1 billion in GenAI technology over the next three years, working with Microsoft and OpenAI to automate aspects of its tax, audit, and consulting services. Within APJ, PwC China has strong focus on the development and regulation of GenAI capabilities. It is investing US$420 million for these solutions and training its 25,000 employees with the skills, tools, and technology.

Strengths

PwC's strengths are:

- **Breadth of service coverage and strong APJ presence.** It has a large client base, presence, and expertise pool across APJ markets. It involves the full spectrum of business transformation services that can be pulled into an end-to-end fit-for-purpose engagement model to de-risk digital execution gaps.
- **Wide breadth of industry-specific accelerators and SaaS consulting tools.** PwC has invested in and developed a comprehensive catalogue of industry-specific accelerators across the 10 studied industries. At the same time, PwC's comprehensive set of SaaS consulting platform solutions (e.g., Concourse, Guided Strategy Creation, and Intelligent Business Analytics) accelerate transformation journeys in areas, such as business strategy and planning, process optimization, AI operationalization, client experience, and workforce engagement improvement.
- **Robust and growing technology ecosystem**. PwC has already established a robust ecosystem of established technology partners and continues to invest in growing this ecosystem's diversity across cloud services, enterprise software, cybersecurity, AI/ML, and data analytics and industry-specific solutions. Beyond technology partners, PwC also collaborates through start-up and academia partnerships to develop a pipeline of innovation and digital talents.
- **Digital business platform expertise**. PwC has completed a sizeable portfolio of projects related to digital business platforms and their key technology components. In terms of industry use cases, PwC has delivered multiple projects in the banking, healthcare, insurance, retail and ecommerce, and telecommunication sectors.
- **Strategic business transformation partner**. Interviewed reference clients cited excellent full end-to-end service delivery, with PwC as a strategic transformation partner possessing excellent industry knowledge, enabling knowledge transfers, and ensuring reliable delivery.

Challenges

Relative to other focused sectors mentioned above, PwC has less projects completed in the manufacturing, O&G, and logistics sectors. However, one of the interviewed reference clients from the manufacturing industry cited excellent partnership experience working with PwC.

Consider PwC When

PwC is an ideal partner for multiyear business transformation initiatives in Asia/Pacific. Particularly, clients in the banking, healthcare, insurance, retail and ecommerce, and telecommunications sectors looking to accelerate outcomes using end-to-end business transformation services will find PwC's IP assets (accelerators and SaaS consulting tools), expertise, and ecosystem a strong differentiator in accelerating transformation outcomes.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well-aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building or delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis or strategies axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and GTM plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represent the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

For this IDC MarketScape, IDC defines digital business consulting and implementation services as the provider revenue in project-based services as defined in the IDC Semiannual Services Tracker. These services are commonly provided by business and technology consulting providers, a systems integrator, and/or a telco. The service engagements may be provided discretely or as part of a larger multiyear digital road map implementation. They do not include managed services but may lead to a managed service contract. The services provided by the vendors reviewed in this IDC MarketScape include:

- **Business consulting.** Business consulting includes three main areas: strategy consulting, operational improvement consulting, and change and organization consulting. This involves helping clients define their strategy and designing and implementing processes to reach their business transformation goals.

- **IT consulting.** IT consulting includes professional services activities centered on creating the IT strategy, IT architecture, and capabilities that are designed to support the unique business requirements of each client's business model through digital business architecture principles.
- **Systems integration (SI)**. This includes SI projects to integrate different vendor platforms, applications, and technologies into a holistic digital business platform architecture. SI services include the planning, implementation, and project management of technical solutions that address a client's requirements. The solutions involve varying types of platform technology components, including hybrid/multicloud environments, platform services, AI/ML services, data services, OT integration, connectivity, and development of APIs/microservices. They are designed to meet the demands and performance levels needed for both technical and business goals.
- **CAD.** This includes industry use case development in the form of custom applications developed by consulting SPs. The applications are built upon and consume underlying platform services from the digital business platform's foundational layer. The use case development not only includes application development but also embeds deep domain knowledge to realize competitive differentiation. Leading providers have a combination of industry knowledge and technology know-how to accelerate the development of industry-specific digital use cases.

LEARN MORE

Related Research

- *IDC APJ Digital Business Scorecard, 2024: Empowering Enterprises to Achieve Business Outcomes* (Forthcoming, June 2024)
- *Leading in the Chapter of AI Everywhere: IDC's 2024 Asia/Pacific CEO Sentiment Survey* (IDC #AP50952824, April 2024)
- *IDC Survey: Becoming a Digital Business with AI Everywhere (IDC Asia/Pacific C-Suite Tech Survey, 2023-2024)* (IDC #AP50952624, March 2024)
- *IDC FutureScape: Worldwide Digital Business Strategies 2024 Predictions* (IDC #US50120323, October 2023)
- *Generative AI: Approaches for Competitive Advantage* (IDC #AP49701623, October 2023)
- *Defining the Digital Business Platform* (IDC #US51054323, July 2023)

Synopsis

This IDC MarketScape represents the assessment of end-to-end project-based consulting and implementation services SPs that support Asia/Pacific (including Japan) (APJ) enterprises' business transformation initiatives. APJ CEOs and C-suites are embracing AI as a cornerstone of their strategic vision and business transformation endeavors, with organizations building up a data-centric platform architecture that enables new digital business and operating models and a digital workforce using data and AI to fuel and drive organizations' value creation activities. To this end, end-to-end service capabilities and expertise from business and technology SPs are needed to connect business strategies, technology architectures, and digital implementations to derisk digital initiatives and accelerate the time to value of technology investments.

"Business and technology SPs leverage their talents, IP assets, and technology and industry expertise to help enterprises accelerate business transformation, AI adoption, and business outcomes," says Lawrence Cheok, associate research director, IDC Asia/Pacific Digital Business Strategies. "This is done with leading providers demonstrating the ability to fuse these capabilities in delivering the art of possible to reinvent business and operating models," he adds.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

IDC Asia/Pacific Headquarters (Singapore)

168 Robinson Road
Capital Tower, Level 20
Singapore 068912
65.6226.0330
Twitter: @IDC
blogs.idc.com
www.idc.com