

MARKET NOTE

PwC Middle East Analyst Day, 2023: PwC Middle East Is Transforming the Middle East Through Innovation, Growth, and Digital Leadership

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: PwC Middle East Is Transforming the Middle East Through Innovation, Growth, and Digital Leadership

PwC's leadership organized an Analyst Day exclusively for IDC on September 15, 2023. The event was led by the company's executive team — the strategy lead and technology platform lead and the practice leads for industry digitalization, cloud transformation, public safety, customer transformation, enterprise solutions, and cybersecurity and digital trust. IDC analysts were given a tour of the PwC Experience Center in Dubai. The leadership team gave IDC analysts a detailed presentation on all PwC's practice areas. This IDC Market Note offers IDC's opinions and impressions of the event.

Key Takeaways

- PwC Middle East offers a comprehensive range of services, including consulting, strategy, assurance, deals, risk, and tax and legal services (TLS) to its clients across the countries of the Gulf Cooperation Council (GCC).
- PwC has a strong focus on industry digitalization, serving the public sector, telecommunications and media, IT, manufacturing, real estate, energy, transportation, finance, and healthcare verticals, among others, with a special emphasis on AI strategy, data governance, and digital regulations.
- Because of the fast adoption of cloud services in the Middle East, PwC has invested in cloud delivery centers, migration tools, and partnerships with major cloud providers such as AWS, Microsoft, Google, and Oracle to assist customers with hybrid and multi-cloud adoption.
- PwC prioritizes public safety through innovative solutions such as virtual-reality (VR)-based command and control centers and the use of cutting-edge technology, including AI and drones, to improve physical security and define the future of public safety practices.
- The PwC Experience Centre in Dubai provides visitors with an understanding of how artificial reality (AR) and VR are disrupting businesses and promoting cybersecurity innovation. The center includes an AI/VR lab, a CyberLab Room, an auditorium to showcase client success stories and PwC's capabilities and use cases, and collaborative conference rooms, all of which demonstrates PwC's dedication to technology innovation and knowledge sharing.

Source: IDC, 2023

IN THIS MARKET NOTE

The leadership of PwC Middle East organized an exclusive Analyst Day for IDC on September 15, 2023, held at PwC's Dubai office. The event – led by key figures such as the Middle East markets and strategy lead, chief digital officer, practice leads, and head of marketing – included an in-depth tour of the PwC Experience Centre in Dubai and detailed presentations covering the company's business activities, offerings, capabilities, and practice areas. This IDC Market Note presents IDC's key impressions of the event.

IDC'S POINT OF VIEW

PwC Middle East at a Glance

With over four decades of history in the Middle East, PwC has emerged as a preferred strategic consulting partner for many organizations in the region. The firm provides a comprehensive suite of services, spanning consulting, strategy, assurance, deals, risk, and tax and legal services, aligning with its global theme of The New Equation. Its regional focus involves developing technology solutions to address challenges and foster trust. PwC Middle East's 10,800-strong workforce spans GCC and Levant countries, with a focus on Saudi Arabia, United Arab Emirates (UAE), Qatar, and Egypt. PwC Middle East has recorded remarkable growth over the past decade, achieving a compound annual growth rate (CAGR) of 20%, and has established a robust network of over 400 partners.

In 2022, PwC Middle East welcomed nearly 580 fresh graduates, supporting the national agendas of the UAE and Kingdom of Saudi Arabia (KSA) to nurture local talent. The inauguration of a new headquarters in Riyadh marked a milestone, bringing the total number of employees to 2,000 across six offices in the kingdom – Riyadh (two offices), Jeddah, Al Khobar, Dhahran, and AIUla. Looking ahead, PwC Middle East plans to establish a new PwC Experience Centre in Saudi Arabia, with a focus on AI use cases and the transformative impact of generative AI (GenAI) on business operations. Sustainability remains a key area, with active support for customers in advancing their environmental, social, and corporate governance (ESG) agendas.

PwC Middle East's Digital and Technology Practice

PwC Middle East's digital and technology practice serves as the foundation for customer engagement in the region. Led by Imad Abuizz and Ali Hosseini, the team of 1,000 employees, with support from two delivery centers – in Egypt and Jordan – and 53 partners, covers the entire customer journey, from imagine and design to build and operate phases. The practice has expertise in areas such as data and AI, customer transformation, customer experience, enterprise solutions, cybersecurity, and managed services.

Having experienced phenomenal growth so far in 2023, the digital and technology practice anticipates a 20% CAGR over the next five years. PwC Middle East has recently acquired PRTM, Booz&Co, NSI, Team Base, Tyconz, and Zero&One, enhancing its regional reach and managed services capabilities. Significant investments include the Egypt Technology and Innovation Centre (ETIC), a PwC Delivery Centre in Jordan, and PwC Experience Centre in Dubai.

PwC Middle East places strong emphasis on talent development in KSA, the UAE, Egypt, and Jordan. The firm's technology platform is distinguished by a global network of digital experts and partnerships with major technology vendors like Microsoft, Oracle, Salesforce, Google, SAP, AWS, Adobe, Kubernetes, and Snowflake, among others. PwC Middle East has committed to investing \$1 billion in AI capabilities – particularly GenAI – with specific focuses on government employee services, citizen services, and internal process augmentation.

Industries Digitalization

In the Middle East, organizations in the public sector have consistently been at the forefront of technology adoption. The national transformation plans and long-term visions of leaders to diversify and transform their economies have also accelerated technology adoption across other industry verticals. As well as supporting the public sector, PwC Middle East serves the telecom, media, manufacturing, real estate, energy, transportation, finance, and healthcare vertical markets. PwC Middle East is actively investing in various initiatives to meet growing demand for vertical-specific solutions. Key focus areas for PwC Middle East's investments in the region include AI strategy and use-case development, data governance and management, geospatial strategy and implementation, tax digitalization, and digital regulations concerning AI, cloud, autonomous vehicles, robots, and the Internet of Things (IoT).

Cloud Transformation

Digital transformation, emerging technologies, and cloud native solutions are driving the rapid adoption of cloud services in the region. PwC Middle East has become a crucial partner in the cloud transformation journeys of its customers through its collaboration with cloud providers. These partnerships – coupled with the firm's robust consulting expertise and a global delivery network that exceeds 10,000 employees, inclusive of seasoned cloud professionals and experts in SaaS cloud platforms such as Oracle, Salesforce, and SAP – have played a pivotal role in this achievement. PwC Middle East provides end-to-end cloud services, from cloud strategy and operating models to cloud migration and application modernization through managed services provision to support customers across the entire cloud value chain. PwC Middle East uses its proprietary DevSecOps and FinOps tools to provide automated, secure, and compliant cloud services. PwC Middle East understands that cloud is a massive growth area in the region and has invested heavily in near-shore cloud delivery centers in Egypt and Jordan to provide cloud services at scale to customers across all major cloud hyperscalers – Microsoft, Google, Oracle, and AWS. In addition, PwC Middle East's strategic investment into Zero&One, a Premier AWS Partner in the Middle East and North Africa, indicates PwC's commitment and leadership in the region.

Public Safety

PwC Middle East works closely with public safety agencies across the region – primarily focused on command-and-control centers, policing technology, customs and border security, smart buildings, and mission-critical communications. The landscape of public safety in the Middle East has evolved from traditional solutions to cognitive security. The latest technology innovations include high-resolution cameras (with 8,000 pixels, known as 8k) with self-learning analytics, drones for dynamic crowd control, immersive VR training, extended-reality-enabled screening systems, and IoT systems seamlessly integrated via an intelligent command-and-control center. Leveraging its extensive experience in the region and its learnings from around the globe, PwC has forged strategic industry partnerships in the Middle East to co-develop a first-of-its-kind VR-based product called Command and Control Centre. PwC Middle East is also an influential thought leader in public safety, publishing thought provoking content, forging knowledge partnerships for key global events, and playing a pivotal role in shaping the future of public safety, globally.

Customer Transformation

PwC Middle East's Customer Transformation offering is driving organizations in the Middle East to completely redesign their business models, making them more flexible and customer centric. This transformation is about more than just providing basic client experiences; it is about using design, data, and AI to improve the whole customer experience. More specific consumer targeting and improvements in marketing, sales, and product offers provide true value and result in revenue increases. This strategy relies on customer trust and a 360-degree view of the customer to improve customer experience and ensure consistent brand interaction. This transformation technique provides economic gains by optimizing cost efficiency and transferring customers from high-cost service channels to low-cost digital channels.

PwC Middle East is making strategic investments in solutions for government services, tourism, transportation, and airlines to ensure a citizen-first digital service experience, better customer targeting, end-to-end brand-building experiences, and data-driven hyper-personalized content to improve customer trust and overall experience. Such investments are in line with market dynamics and the expanding market size, giving businesses the tools and strategies that they need to thrive in today's volatile business environment.

Enterprise Solutions

PwC Middle East's Enterprise Solutions cover a wide range of essential disciplines, each with a distinct focus on transformation and innovation. For the public sector, PwC solutions include Government Resource Planning (GRP) 2.0 and Public Finance Reform. Organizations in the energy sector are interested in value-chain integration to streamline operations, while entities in the finance sector are gradually adopting cloud-based enterprise resource planning (ERP) and enterprise performance measurement solutions. PwC Middle East is assisting new businesses and ERP managed services providers transition to modern models based on PwC Enterprise Solutions, such as PwC Company in a Box and PwC Managed Services. PwC Enterprise Solutions in the Middle East collaborates with SAP and Oracle to address cloud transformation and data residency concerns. The providers implement scheduled stages for on-premises ERP support, aligning seamlessly with the dynamic market conditions in the region and catering to all business sizes. PwC Middle East is implementing SAP S/4HANA Cloud to offer comprehensive end-to-end solutions across finance, HR, supply chain, and asset management; to align with the concept of the future of the workforce and effectively manage its own human resources; and to support customers in the Middle East in their endeavors to achieve a sustainable future.

Cybersecurity and Digital Trust

The volume of data collected and shared among organizations, partners, and customers is increasing dramatically as enterprises migrate to digital business models. This digital data has become the lifeblood of the networked business ecosystem, and it is becoming ever more appealing to both organizations and competent threat actors. Digital risks are growing proportionally to digitalization. As such, the need for a robust cybersecurity and digital trust strategy has become crucial. PwC Middle East assists clients in transitioning from value protectors to value creators by establishing trust, strengthening resilience, and facilitating corporate growth. PwC Middle East helps companies embrace digital change, promote growth, remain resilient, and prepare for unexpected risks. PwC Middle East's experts address critical concerns such as the accelerated pace of digital change, an increase in threat actors and attack surfaces, regulatory scrutiny, and a shortage of talent. PwC Middle East provides outcome-based transformation and managed services to clients, with an emphasis on resilience and data protection by design, secure cloud transformation, and securing emerging technologies.

PwC Experience Centre, Dubai

The PwC Experience Centre in Dubai is PwC Middle East's cocreation and innovation space, providing clients and stakeholders with cutting-edge and immersive experiences. It was launched in 2020 during the COVID-19 pandemic. The center focuses mainly on imagining, designing, and building digital products and experiences, serving as a catalyst for transforming visionary ideas into impactful realities. From strategic conception to seamless execution, the PwC Experience Centre is built to champion innovation, cocreation, and creativity and thus to address the most crucial challenges of the region.

Elements of the PwC Experience Centre in Dubai – which is used to demonstrate PwC Middle East's dedication to embracing technology and cultivating an environment of innovation and knowledge-sharing – include:

- **Emerging Tech Lab:** This provides an immersive experience to visitors to demonstrate how AI (including GenAI), AR, and VR technologies are altering industries.
- **CyberLab Room:** This houses a VR-based command center and a prototype security operations center (SOC) for operational technology (OT). It demonstrates cybersecurity methods and represents a focal point for innovation.
- **PwC Theatre:** This is a venue for presentations, informative talks, and industry updates. It also features a film studio for creating original content to improve communication.
- **PwC Training Centre:** This has been developed to promote continuous learning and skills development. The venue can host large groups, and it houses flexible meeting rooms to facilitate various projects and encourage collaboration and new ways of thinking.

CyberLab Room

PwC Middle East emphasized the critical need for visualizing OT assets and proactively managing cyber-risks. In its SOC for OT, PwC presented cyber-physical twins and digital twins for crucial industries like power, water, maritime logistics, and smart cities. These demonstrations illustrated centralized asset visibility, technology change simulation, and proactive cyberattack detection without physical presence. PwC's team executed specific cyberattack scenarios, simulating lateral movement from IT to OT, causing the recalibration of process engineering values and cascading impacts onto interconnected systems. This integrated setup, linked with other PwC setups around the globe, enables operational change testing and cyber-specific scenario training without physical plant involvement.

Presentations extended beyond simulations to demonstrate AI-driven analytics for detecting and defending against operational faults and cyberattacks in PwC's OT SOC. Operating 24 x 7, the OT SOC correlates OT device logs with specific use cases and threat intelligence, offering customized alerts. PwC collaborates with clients to establish cyber-physical twins and digital twins of plant environments and provides OT SoC services in KSA across diverse industries.

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Synopsis

This IDC Market Note provides IDC's key opinions and impressions of the PwC Middle East Analyst Day, held exclusively for IDC on September 15, 2023.

"PwC Middle East's strategic engagements with organizations in the region focus on providing technology solutions, achieving exceptional growth, and strengthening and advancing its technology-platform division – all with the goal of being a leading protagonist in digital transformation in the Middle East. Its comprehensive approach includes technological innovation, advances in public safety, customer transformation, enterprise solutions, and cyber-resilience, as evidenced by the PwC Experience Centre in Dubai, which demonstrates a commitment to fostering innovation and knowledge sharing in the digital age." – Senior Research Analyst Shabnam Shaikh, IT Services, IDC Middle East, Türkiye, and Africa

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.).

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