

MARKET NOTE

PricewaterhouseCoopers India Analyst Day 2024-Shaping the Digital Vision of India Through Tech-Led Business Innovations

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: PricewaterhouseCoopers India Analyst Day 2024

PricewaterhouseCoopers (PwC) held its 2024 Analyst Day in Gurugram, May 9, 2024, and presented a wide range of updates across its consulting and technology services business. The session also included numerous clients discussing their engagement with the firm and its partners. This document describes the top themes discussed by PwC's leadership and the impressions of several IDC analysts who participated in the event.

Key Takeaways

- PwC's leadership team expressed strong optimism about India's prospects on the global stage and opportunities for PwC to actively contribute to India's growth story.
- PwC has consolidated several of its practices into integrated practices to deliver greater value and better outcomes to customers by drawing expertise from diverse areas.
- India as a consulting services buyer market has matured, with a significant shift in the complexity of desired outcomes, opening new opportunities for PwC's consulting services team.
- PwC continues to strengthen its partner ecosystem across all major technology providers and has now embedded its subject matter experts in key service lines across tax, finance, consulting, and environmental, social, and governance (ESG).
- PwC emphasized its focus on partnering with multinationals and helping them set up, build, transform, and scale global capability center (GCC) operations to drive speed to value.
- Cybersecurity remains a top priority for PwC, which has made considerable strides in building a comprehensive cybersecurity solution stack tailored specifically for India enterprises across a wide range of industries.

Source: IDC, 2024

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IDC'S POINT OF VIEW

India: A Key Growth Market for PwC

Several among PwC's leadership team expressed strong optimism about both India's prospects on the global stage as well as opportunities for them to actively contribute to the India growth story. They emphasized that India presented some big challenges, such as the need for an inclusive and massively scalable digital payments platform, which can only be addressed with the innovative use of technology at scale. These nation-scale challenges provide great opportunities for PwC, which is uniquely equipped to address them. According to IDC's services tracker, the India business and IT strategy consulting and application services market, are expected to record a compound annual growth rate (CAGR) of 7.7% and 8.8%, respectively, until 2027. PwC emphasized that its current growth trajectory in the India market is well beyond this rate. This cannot be achieved overnight, but PwC's history in India and its trusted and long-standing influence in the government and enterprise sectors are driven by a client-centric culture. It aims to sustain this momentum through various strategic initiatives.

Consolidating Practices and Focusing on Outcomes

PwC has consolidated several of its practices to deliver greater value and better outcomes to customers by drawing expertise from diverse areas. Examples include the consolidation of its various risk and digital engineering practices and aggregation of its business and technology consulting capabilities. This allows it to effectively execute complex transformation projects that demand a combination of industry or functional knowledge and relevant technical expertise. PwC also observed willingness among customers toward outcome-based pricing for engagements. This has allowed PwC to flex its muscle in India, where the benefits of integrated practices can deliver faster and more innovative outcomes for customers. The government, financial services industry, health and infrastructure sectors, and Made in India were segments in which co-innovation with clients gave PwC the call to action to become more agile for its customers.

Business Model Reinvention Programs

According to PwC, India as a consulting services buyer market has matured, with a significant shift in the complexity of desired outcomes. PwC highlighted that 50% of enterprises have yet to make business model changes to sustain viable growth. Consequently, PwC's ability to contextualize global capabilities with local expertise is well placed to gain market share in the consulting market across key industries. Currently, the industries in focus for the India market include healthcare, financial services, manufacturing, infrastructure, retail, and consumers.

Most customers featured by PwC at the event have maintained extensive relationships with the vendor. These engagements typically commenced in the consulting realm to solve a business problem and subsequently expanded into various other areas.

Alliances and Ecosystems

PwC continues to strengthen its partner ecosystem and has now embedded its subject matter experts in key service lines across tax, finance, consulting, and environmental, social, and governance (ESG). This integration has helped PwC jointly pursue opportunities with its partners, elevating its ability to

influence buying centers beyond the CIO office. The event showcased some of its marquee customers across the manufacturing, public, and fast-moving consumer goods (FMCG) sectors that leverage PwC's expertise to build technology road maps and the technology foundation for scaling businesses and reinvent business models for the digital era. Tech partnerships were highlighted in intellectual properties and driven by co-investment in industry solutions. Cloud, enterprise business applications, and Internet of Things (IoT) were showcased with SAP, Microsoft, and Salesforce and new ones Siemens, Honeywell, and global ISVs headquartered out of India.

Global Capability Center Transformation Projects

Although India has been an established destination for global capability centers (GCC) for multinational corporations for some time now, a surge of activity has taken place in this space in the last couple of years. The GCC model, which started out as a cost takeout mechanism, and subsequently evolved into an offshore capability/capacity pool, has finally reached the zenith of evolution as a key driver of innovation for enterprises. This means that GCCs have moved beyond vanilla functional support (finance, IT, etc.) to deliver innovative capabilities within business functions, such as sales analytics (sales) and life-cycle profitability analysis (commercial finance), among others. PwC emphasized its focus on partnering with these multinationals, helping them set up, build, transform, and scale GCC operations to drive speed to value from India. GCC transformation projects are adding to the company's top-lines and helping gain new engagements with these clients as a trusted transformation partner.

GenAI Momentum

PwC indicated that its India client base is showing great interest in integrating GenAI to reinvent business models. In this regard, PwC is helping clients make structural business changes and preparing IT architectures for AI opportunities. Additionally, PwC is working with its client base to overcome critical barriers to adoption, which include clarity on ROI, trust, data readiness, and a future view of the organization. Interestingly PwC's focus is moving beyond productivity use cases and into industry use cases and the reinvention of business models with the C-suite as sponsors, showing the demand for a more holistic approach for scaling AI everywhere. As a result, PwC is investing in a GenAI center of excellence in India for its global counterparts focused on PwC industry-driven solutions.

Secure by Design

After a walkthrough of its security-based case studies and security operations centers (SOCs), PwC displayed a strong and a comprehensive cybersecurity solution stack tailored specifically for India enterprises across a wide range of industries, including banking, financial services, and insurance (BFSI), technology, media, and telecommunications (TMT), critical infrastructure (energy and utilities), government, manufacturing, retail, and healthcare. Its services encompass the entire security life cycle, from crafting initial strategies and planning to implementing solutions and providing ongoing operational support.

PwC prioritizes automation and AI to streamline processes and enhance security effectiveness. It leverages AI/ML in security orchestration, automation, and response (SOAR) platforms, vulnerability assessment tools, and advanced endpoint detection and response (EDR) solutions. These tools automate tasks, improve overall efficiency, and contribute up to 50% of overall delivery efforts.

PwC's commitment to innovation extends beyond automation. It champions a security-by-design approach, integrating security measures throughout the software development life cycle. This proactive strategy minimizes vulnerabilities from the outset. Additionally, its AI-powered Anomaly Detection Platform automatically identifies and mitigates anomalies, discovers hidden patterns, and enables continuous transaction monitoring. The Lighthouse platform further enhances security by acting as an early warning system for potential portfolio risks.

PwC operates two SOC's strategically located in India:

- The Kolkata SOC focuses on retrospective threat analyses, investigates past security incidents to identify patterns, and prevents future occurrences.
- The Gurgaon SOC concentrates on identifying new and emerging threats and proactively safeguarding against the latest cyberattacks.

In addition to its hub-and-spoke model with satellite SOC's deployed at client locations for real-time monitoring and incident response, PwC partners with some of the world's leading and trusted technology suppliers. These partnerships enhance its overall security posture by providing expertise in threat detection, incident response, and other critical SOC operations.

PwC recognizes the importance of human expertise alongside technology. It invests heavily in upskilling security professionals through its dedicated PwC Digital Risk and Cybersecurity Academy. Additionally, experienced industry veterans lead its team, and it prioritizes cyber-range and incident response training to ensure readiness for any security threat. Collaboration is a key aspect of its approach. PwC works with leading hyperscalers to develop industry-specific solutions, such as the Proactive Risk Intelligence and Monitoring Solution (PRIMS) built on Microsoft Azure for fraud analytics and early risk detection. Its commitment to customer focus is evident in its smart pricing model, which aligns pricing with the value delivered and offers flexible options to meet evolving client needs. By prioritizing engagement with chief information security officers (CISOs) and top leadership, PwC ensures a deep understanding of customer challenges and delivers solutions tailored to achieve specific goals.

IDC's Take

In 2024, PwC chose to tell its growth story in India through its customers, which strongly resonated with the management's big bets around driving technology-led business transformations. Additionally, IDC believes its strategy to be selective with customers, drive greater synergy with management consulting and tech consulting businesses, and collaborate closely with other member firms around the world for mutual customer success contributed to its strong growth in the country.

PwC India is showing to the rest of the world that it can create more value by consolidating and realigning its practices to serve customers better in this digital age. Its focus on strategy execution, value outcomes, and industry solutions has meant its own cultural shift to technology integration, ecosystem co-investment and expansion, guardrailing risks, and upskilling its own talent base. With eyes on India at the moment and the benefits from Digital India starting to take root in business culture and innovation, PwC is leading the transition to data-driven digital enterprises in this age of AI everywhere. It is imperative that India Inc. gets AI right as it transitions its services workforce into a value-and-outcomes-driven intelligent workforce.

LEARN MORE

- *C2G: Asia/Pacific (Excluding Japan) Systems Integration Services Market Share, 2023: IDC's Top 10 Vendors* (IDC #AP50957824, May 2024)
- *Asia/Pacific (Excluding Japan) Managed Cloud Services Forecast, 2024-2027* (IDC #AP50957324, March 2024)
- *Asia/Pacific Cloud Adoption Trends and Preferences Around Cloud Professional Services* (IDC#AP50957224, March 2024)

Synopsis

This IDC Market Note describes the top themes discussed by PricewaterhouseCoopers's (PwC) leadership during the 2024 Analyst Day in Gurugram, May 9, 2024 and the impressions of IDC analysts who participated in the event.

"With eyes on India at the moment and the benefits from Digital India starting to take root in business culture and innovation, captains of the industries are leading the transition to data-driven digital enterprises. Excitement is also prevalent from enterprises in India as they seek to reinvent their digital business models with PwC's help," says Linus Lai, vice president, IDC Asia/Pacific IT and Digital Business Services Research Group.

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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