



# EVOLVING AT A PERFECT PACE: PwC EMEA PRODUCTS

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In mid-February, TBR met with leaders from PwC’s core Products team for EMEA, including David Padwick, PwC EMEA Consulting chief operating officer; Ralf Jaspert, PwC Germany, Advisory Digital Products leader; and Nele Van Buggenhout, PwC UK Perform Plus Leader, to discuss TBR’s observations, based on multiple interviews with current and former PwC professionals as well as with PwC clients, that PwC Products has not been adopted as enthusiastically across Europe as it has been in the U.S. Not surprisingly, the PwC leaders told a more complete and nuanced story about Products in EMEA, the emerging role of software and managed services sales, and expectations for near-term growth, describing in detail to TBR how the firm expects the next few waves of PwC Products to play out.

## ► CREATIVITY, IF NOT SCALE, AND CLIENT-DRIVEN TECHNOLOGY IN EMEA

Drawing contrasts between PwC US and PwC EMEA, Padwick noted that while PwC EMEA adheres to the firm’s global advisory strategy, at least two differences stand out. First, the PwC brand in the U.S., according to Padwick, is more technology-centric than the PwC brand in Europe, which influences how PwC EMEA consultants tailor their go-to-market messages in the region. Given the technology-centric nature of engagements in the region, combined with a higher volume of services, PwC EMEA’s sales structure has not been able to pivot to support business development through products and solutions. Second, PwC EMEA has focused on developing software assets to expedite the delivery of consulting solutions to clients and has not been designing them specifically to be sold, independent of traditional consulting engagements. Padwick stressed that PwC EMEA contains “plenty of creativity, even without the scale” of the U.S. and that the various EMEA member firms and professionals have developed a “long list of [software assets] with applicability ... and [PwC EMEA is] getting better at prioritizing.” While this initial characterization painted a picture of PwC EMEA trailing the U.S. to a significant degree, Padwick and his colleagues explained that the longer incubation periods and slower sales cycles do not preclude PwC EMEA from having a strong position with Products.

### **Perform Plus platform evolves to meet client needs**

The PwC EMEA team walked TBR through a couple of specific offerings developed organically within the firm’s Europe practices. As far back as 2016, PwC had been working with financial institutions on stress-testing their risk and asset management systems, an effort Jaspert said had been codeveloped with clients, lending the resultant solution greater



applicability and credibility in the market. This stress-testing solution as a product was a start and is now one of 47 consulting-centric products that PwC EMEA clients license directly from the firm. Another solution, as described by Van Buggenhout, started with a 12-week coaching program encompassing a wide array of enterprise activities, such as sales and product development. Urged on by clients, PwC EMEA built a digital solution, Perform Plus, to capture daily performance information and ideas and employee well-being, enhancing clients' internal teamwork. The COVID-19 pandemic accelerated PwC's efforts behind the Perform Plus platform, which the firm has now deployed with 25 clients across EMEA, as well as the U.S. and Canada. Perform Plus is built on Google Cloud with a standard API that allows integration with other technology enabling it to handle a variety of platforms, including a recent large-scale deployment integrating a client's daily Salesforce (NYSE: CRM) data. For TBR, PwC EMEA's decision to codevelop solutions with clients and let the consulting engagements drive the technology solutions (not the other way around) reflects the global firm's lessons learned from the last 10 years as emerging technologies have permeated nearly every consulting engagement and clients have come to expect a technology-enabled solution to their business problems. In previous discussions with PwC professionals in Europe, TBR repeatedly heard comments indicating that clients do not perceive PwC to be a software company, but the European clients that have recently purchased PwC Products have become excellent use cases and reliable references for other European clients. The firm's brand perception may be slow to change, but the quiet reality is that PwC is steadily increasing revenues tied to Products.

## **➤ BRINGING WAVES OF PWC PRODUCTS TO EMEA AS PART OF GLOBAL FIRM**

On technology, Padwick noted that EMEA clients initially “expect service, then get the technology and ask for more technology,” a pattern TBR has seen across the management consulting market as digital transformation has become the near-universal framework for advisory engagements. Those client expectations point to what is next for PwC EMEA and Products. Padwick explained that value in a software solution, as sold by PwC, resides in three specific areas: the underlying intellectual property (the asset itself), the digital nature of the asset and its interoperability with existing and emerging technologies and systems, and stickiness with clients created by insights driven directly from using the asset. TBR believes that, combined with employing a sales and go-to-market approach that continues to lead with consulting and pull-through technology and managed services opportunities, PwC EMEA has met the European market where it is and has positioned itself for the second and third wave of Products. The first wave, according to Padwick, has been capturing the entrepreneurial spirit around embedding technology into advisory engagements in innovative ways, driven by client demands and PwC's development of software skills. To TBR, consultancies need to manage new business models and cultural shifts — in concert with their entrepreneurial spirit — an effort made easier with solid leadership and a proven framework for expanding into software and managed services. Padwick said the second and third waves for PwC EMEA Products would entail executing on opportunities to expand and scale as well as working more broadly, and efficiently, across the full technology ecosystem. In TBR's view, the evolution of PwC over the last five years has created opportunities for individual member firms, and regional clusters, to shape their strategies around Products while simultaneously adhering to PwC's global strategy — essentially combining the strength, scale and depth of a global firm with local knowledge and culture and attention to local clients' needs.

One week after TBR met with the PwC EMEA Products team, Russia invaded Ukraine, substantially changing the political and macroeconomic realities of the region. While no predictions or analysis this early into seismic changes



will withstand time and scrutiny, TBR anticipates PwC EMEA will be able to rapidly repurpose some solutions to meet clients' needs — as it did early in the COVID-19 pandemic — helping ensure the safety and well-being of its employees through tracking and reporting applications and revamping risk- and stress-testing scenarios for financial institutions to adhere to new sanctions while adjusting to changing financial flows across the continent.

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