MARKET PERSPECTIVE

# PwC Analyst Summit, 2024: It's Time For More

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## EXECUTIVE SNAPSHOT

### FIGURE 1

**Executive Snapshot: PwC Analyst Summit, 2024 — It's Time For More**

PwC's 2024 Analyst Summit in Boston highlighted the firm's response to current economic, technical, climate, and political shifts, emphasizing its core pillars: client forward, capabilities, and culture. Key themes included growth, risk, and AI, with significant investments in AI to build sustainable competitive advantages. PwC's AI initiatives aim to enhance delivery excellence and create new revenue streams, such as tax as a service and next-generation audits.

**Key Takeaways**

- PwC's significant investment in AI, now at $1.5 billion, aims to integrate AI into all aspects of their operations, enhancing efficiency and creating new revenue streams.
- The firm is leveraging GenAI technology to deliver personalized content, as demonstrated by their successful project for a major sporting event, which highlights future opportunities in various sectors.
- PwC Deals practice help clients develop strategy and execute and optimize M&A transactions primarily focused on acquisitions, divestitures, capital raising, and so forth. PwC's Deals practice focuses on technology-led transformations, utilizing platforms like Junction to drive business growth and efficiency in M&A transactions.
- PwC is expanding its services in engineering, sustainability, and managed services, emphasizing the importance of integrating modern technologies and maintaining a strong focus on security, trust, and risk management.

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## NEW MARKET DEVELOPMENTS AND DYNAMICS

PwC held its 2024 Analyst Summit in Boston on October 29 and 30, 2024. From the very start of the two-day event, PwC presenters made clear that current economic, technical, climate and political shifts are not only impacting clients but PwC itself. The firm's core pillars (Pillar 1: Client Forward, Pillar 2: Capabilities; Pillar 3: Culture) offer clear guidance on a client-forward focus across many industries, enabling key business capabilities and organizational culture to think and act differently to drive innovation.

There were also two themes featured prominently during the analyst event — growth and risk. And, of course, AI. Dan Priest, U.S. chief AI officer, and Joe Atkinson, global AI officer, shared how a year ago PwC had made a $1.5 billion investment in AI. They noted that this is a high-stakes play and emphasized the importance of building sustainable competitive advantage by leveraging AI. Mohamed Kande, PwC global chairman, discussed how tech is driving the reconfiguration of ecosystems (which is very evident in the life sciences industry, as well). He highlighted that multiple technologies are colliding to deliver outcomes and that system thinking, the ability to integrate multiple technologies to unlock the value of business is key and that is where PwC makes a difference.

This IDC Market Perspective provides IDC's views, learnings, and perspectives across different dimensions of this event as well as IDC's essential guidance for PwC.

### AI Services, AI for Transformation, and GenAI Personalized Content Creation

Priest gave an update on the U.S. firm's AI investment strategy originally announced as a three-year, $1 billion investment in AI capabilities. Priest noted that PwC keeps adding to the investment — now upward of $1.5 billion — as the firm endeavors "to make AI an intrinsic part of everything [they] do." In addition to efforts to make its back-office functions more efficient and more intelligent, PwC aims to improve the firm's delivery excellence by refactoring traditional offerings with AI at the center. For example, by infusing LLMs into its software development life cycle (SLDC), the firm estimates it has taken 10–30% of time out of its software development processes — time that the firm has refocused on projects requiring "the best designs" as opposed to the fastest or cheapest delivery. According to Priest, the time saved by AI-infused SLDC "creates a lot of choices," including more pricing flexibility (to a point), as well as reimagined offerings that create new revenue streams, such as tax as a service (TaaS).

Atkinson also talked about potential new revenue streams like tax as a service and Next Generation Audit, while emphasizing the human component of the solutions and value

proposition. PwC leaders acknowledge the fact that many of their clients need help reaching levels of data literacy/maturity and governance necessary to responsibly scale their use of AI. As Paul Griggs, U.S. senior partner, put it, “Data is foundational” — and this is true for PwC internally, as well as for its clients.

One session at PwC Analyst Summit featured GenAI technology used for a pilot project to develop and deliver personalized broadcast content for a major streamer’s sports coverage. The streaming service delivered daily sports coverage recaps using a lifelike sounding voice of a popular sports broadcast personality. The realistic-sounding voice was powered by GenAI and AI voice synthesis technology. The objective was to develop personalized content for interested consumers who did not have the time to watch the sports coverage. Syncing data, voice, and event content in a contextualized framework had not been achieved on this scale. Over 5,000 hours of coverage of 40 events occurring concurrently each day were available to be condensed and packaged into 10-minute segments with voiceover from the popular sport broadcast personality. This GenAI-managed system could produce 7 million variants of content chosen by individual customers. This GenAI-developed programming proved to be highly popular and met the objectives of achieving a large-scale technology integration combined with an elevated user engagement and experience. Challenges of editorial accuracy and believable broadcaster voice re-creation were anticipated and successfully managed. Reviews from both media critics and streaming subscribers were highly favorable both during and after the sports event. This type of GenAI project presents future opportunities to produce more personalized content of sports, entertainment, and business applications, including intelligent customer experience interactions across many vertical markets.

## Deals Business: Transact to Transform

IDC views PwC’s Deals practice as a microcosm of the larger firm, with the twist that it must apply all its capabilities and experiences inside the time-boxed constraints of a given M&A deal, restructuring, or private equity transaction. The Deals practice is similarly focused on driving business transformation, growth, compliance, and efficiencies on behalf of its clients and, when necessary, draws on resources from the larger firm for supplemental attestation, tax, advisory, or consulting experience. In 2024, the recovery of the M&A market continued, but there is still $2+ trillion of capital sitting on the sidelines looking for a more productive use. IDC believes one reason for this is that both organizations and private equity investors increasingly realize that technology-led deals need a larger services component to realize value, resulting in the idea of transact to transform where private equity fuels the transformation using a catalyst like PwC. During the event, PwC showcased a client with an overstock of inventory and tied up working capital where PwC helped understand the root causes of the problem and came up with a new stock replenishment approach. PwC also helped

with manufacturing and supply chain improvements that ultimately resulted in a 20% reduction in customer service penalties associated with order fulfillment.

Following the "people + platforms" playbook seen elsewhere in the Firm, IDC also learned that PwC has evolved Junction, its digital M&A deals platform, to better connect clients with all the professionals working on deal shaping and decision-making. Platforms like Junction also give PwC professionals an excellent springboard for replicating ideas, not all of which must be about new blockbuster drugs or nuclear power plants to supply the rising electricity demand from AI. For example, if you consider the private equity–fueled consolidation of veterinary practices in the United States, you can imagine how similar plays might be developed for other markets with similar fragmented elements or fundamentals.

## Engineering Services

In December 2024, PwC acquired Surfaceink, a product design, development, and engineering services firm specializing in the consumer electronics and industrial electronics market segments. This aligns with the strategy to help customers deliver full life-cycle development for connected physical products. At the event, PwC showcased many products that were designed and developed by Surfaceink. During conversations with PwC executives who are responsible for this business, it was clear that PwC is going to make a push into offering engineering services that included industrial and UI/UX design, software systems engineering, and electrical and mechanical engineering. PwC leverages agile and DevOps methodologies to enhance their software engineering services. They also offer IoT services that include IoT strategy and consulting, solution development, data analytics and related insights, and security and compliance services. All these capabilities demonstrate PwC's intent to invest and scale its engineering services capabilities. Customers want their partners to own more than just a siloed pie of their services budget and consulting firms are being asked by their customers to go beyond their traditional roles. This market is witnessing double-digit growth, and PwC's foray into the engineering services segment is timely.

## ESG

J.C. Lapierre, PwC's U.S. Sustainability Transformation & Operations leader, led with the notion that "[ESG] reporting is strategy explained." In a time where regulation is one of the strongest forces, PwC is putting their significant experience in audit and assurance behind their sustainability offerings. Through its 5 pillars of sustainability, PwC is mobilizing ~500 sustainability specialists (backed by 10,000+ sustainability practitioners firmwide) across its U.S. organization to be a part of a sustainability accelerator, focusing solely on the topic of sustainability. PwC's "one firm" approach to sustainability brings together experts from each of its internal business units to innovate, tech enable, and deliver sustainability-related projects. This approach allows PwC to

consolidate its expansive expertise to ensure that each sustainability project, regardless of industry, maturity, or stakeholder involvement, can be met with the precise experience needed.

PwC's sustainability portfolio is built to reflect both growth and risk objectives and larger macro trends such as the effort to reduce energy consumption, the regulatory push for sustainability reporting, decarbonizing supply chains, and managing climate risk and the associated financial impacts. Accordingly, PwC addresses these objectives in its portfolio of sustainability offerings. Strategy & Operations, supported by technical solutions such as digital twins, IoT integration, and emerging technologies for sustainability, addresses strategy, deals, energy and cost issues, decarbonizing supply chains, and driving costs down through energy efficiency savings. Reporting & Assurance, supported by carbon accounting systems and ESG reporting solutions, focuses on reporting readiness and compliance issues and can serve as a catalyst for strategy and transformation. The topic of climate risk is covered by climate and nature risk modeling, supported by climate risk analytics and nature management system tech solutions.

## Future of Work

As client and leadership presentations focused on everything from the global economy to the impact of Agentic AI on business, a key theme became clear — we are at the start of a major transformation for work and the workforce. New work models will drive and be driven by AI-enabled ways of working. Organizations must rethink their work models and workforce strategy to negotiate new job roles — technical, human, and leadership skills. AI-enabled work models will not only drive immediate productivity but also have the potential to more concretely connect ecosystems of partners together. IDC's research shows senior leaders are most focused on investigating the benefits of Agentic AI for improvement of operational efficiency, reducing costs through automation of repetitive tasks, and enabling better decision-making based on data analysis.

The tension around what work can be autonomously run by AI agents and the implications for job roles is at a flashpoint. But as many speakers noted, these automations create a burden to employees who must quickly learn new ways of working without necessarily having the business or technical infrastructure to support learning in the flow of work.

IDC survey data shows that organizations are struggling with change management: 35% lack strong coordination between IT and line of business (LOB) and 23% have failed to effectively communicate the value of AI and face a strong fear of layoffs. Moving from piloting to adopting broadscale AI-enabled workflows across functions will require strong strategic vision and new approaches to leadership. While adoption and interest

in agentic workflows is increasing, clients will need support to better transition from traditional work models to automated approaches that empower employees — not just keep them in the loop. This means moving beyond the economics of efficiency to support more innovative practices in adapting to agentic-enabled work models.

## Life Sciences

Gurpreet Singh, global client partner for a leading global pharma, moderated a panel discussion with the CTO and SVP of that pharma and shared how PwC has partnered with the global pharma over the past decade to create real value with technology. Their partnership has enabled the global pharma to modernize how they discover, make, and sell medicines — all with the mission of getting medicines to patients that need them most. They have developed many digital solutions, such as an intelligent clinical trials platform. PwC helped drive business transformation, including embedding AI across the value chain. The CTO reported that as a result the global pharma has been able to shorten the time for bringing a new drug to market from 12 years to 6 years. He believes that tech is a "superpower" and will be the primary growth driver for the global pharma in the coming years. He also observed that while the previous year was about identifying use cases, this year was about piloting them, and the tail end of this year is all about value realization. In partnership with PwC, it has developed digital worker equivalents (DWE) (digital FTEs), where one DWE was equivalent to 2,000 hours of an FTE. In the first few years, the global pharma developed about 2,500 DWEs and its workforce is now a combination of DWEs and employees.

The client also discussed how PwC played a key role in strategy definition and implementing ideas to leverage GenAI for content development at the global pharma. It also designed an AI-based solution for medical, legal, and regulatory (MLR) review to get promotional claims (including translations) approved. PwC also helped develop the global pharma's first AI solution, which resulted in 60–70% time saving and was the first PV AI solution to be implemented at scale.

## Managed Services: Modernizing Technology and Business Operations

PwC highlighted how it built an end-to-end portfolio of managed services for technologies that helps enterprises modernize their IT landscape utilizing innovative capabilities such as the cloud, AI, sustainability, and security. They also showcased in discussions how they lead clients through complex business operations such as clinical trials and predictive forecasting.

PwC provides enterprises with the required industry knowledge; functional know-how; technology expertise; a full life cycle of services from architecting to developing and managing IT; strategic partnerships with key vendors such as Oracle, SAP, and

salesforce.com; and offshore resources. PwC also highlighted how it has structured its organization to ensure that supporting clients across the life cycle of services is done in a seamless manner.

As a demonstration of these capabilities, PwC showcased a client from the healthcare industry for which the client utilized what PwC refers to as its Application Evolution Services (AES) to support the transformation of multiple applications into a set of modern platforms involving Oracle Fusion Cloud, salesforce.com, and MuleSoft, which PwC ultimately would provide ongoing management and continuous improvement of these environments. Testimony from the client highlighted how PwC had the required expertise across these applications as well as knowledge of the healthcare industry and provided a single point of contact to ensure control over managing the modernization and management of these IT applications and resources. Further, the client indicated how PwC provided a flexible contract that allows for continuous innovation and enhancements across the life span of the engagement and how PwC's offshore resources helped to achieve cost reductions and were also critical in offering strategic counsel, feedback and support. It was also mentioned that PwC met the required milestones, reduced risks, and helped achieve financial objectives on time and on budget.

## Security, Trust, and Risk

While economies of scale and automation capabilities can certainly drive down the costs of providing MSS, PwC correctly noted that the term "Evolution" services is replacing the classic "Managed" services term. Using the term evolution to describe traditional managed services is a unique way for PwC to differentiate itself. While not ignoring cost savings as a key driver for organizations to use MSS, the ability to access and pull in the specialized talent that PwC employs on a rapid basis is beneficial to its clients. PwC will never be known as the low-cost provider of managed services, but it can combine some cost savings, along with outcome-driven capabilities that allow for IT, security, and GRC personas to confidently see road maps of increased efficacy and efficiency of their respective domains.

PwC has made investments in their capabilities surrounding managed cloud security, managed digital identity, managed cyber-risk, and managed cyberdefense. These are core growth areas that can readily be the beneficiaries of their strategic consulting and implementation service projects that they are more well known for. The key challenge for PwC, like any other partner-led firm, will be to drive these outcome-focused capabilities on a uniform basis across its geographically diverse member firms.

Security culture is the first step in the evolution of an IDC mantra of "Security Risk is Business Risk." For many, heads are still spinning from digital transformation and lift and shift practices that did not translate well — as security is provisioned differently in

the cloud, security culture often found itself on the back burner. Recently, that tide has turned partly driven by the traditional role of a CISO not only broadening to be a business leader in the area of trust (security, risk, and compliance) but also evolving to include a business acumen normally reserved for the C-suite. PwC is enabling clients to extend this security dynamic to the technologist as well. IDC sees this further taking shape as business outcomes are now front and center when quantifying risk and are being built into the consolidated platform view of many security solutions.

Kande segued his PwC Analyst Day remarks including "Cyber is no longer just a technology issue," adding that they drive clients to the leading edge by navigating through the imperatives in a security-first culture, including, "#1 Secure Cloud, #2 Governance, #3 Reputation and Regulations." IDC research shows that inflation driving up vendor pricing, supply chain constraints, and the talent/skills gap exacerbates these challenges for customers and security vendors. In addition, vendors in heavily regulated industries must deal with the perils of reputational damage, loss of license, and fines resulting from poor regulatory compliance practices. While organizations can now more easily simulate and automate at scale with processes such as continuous management and compliance, GenAI and, more recently, agentic workflows and agent models bring a deeper level of visibility never before seen. PwC is helping clients understand that these advancements also bring a ubiquity of voices to the table, as risk quantification has become a multidisciplinary approach. IDC research shows that organizations look for consulting partners and services integrators such as PwC as strategic technology partners for GenAI implementation, training, and establish external and internal AI centers of excellence (AICOEs). PwC's value proposition extends far beyond its own talent pool to that of its broader ecosystem of partners including cloud service providers and independent software vendors benefiting their mutual clients.

## Tax: Focusing on Tax Value Rather than Tax Compliance

Throughout PwC's Analyst Summit, the topic of tax was addressed in different contexts and client situations, including relating to macroeconomic factors of the U.S. presidential election results, which were not decided at the time of the conference. As Rohit Kumar of PwC's National Tax Office put it, "The International Tax landscape is a brave new world." Compliance with the Pillar 2 global minimum tax is still being worked out with, and beyond OECD, countries that have consequences for how organizations with over €750 million in revenue handle their global business. He also made a strong case for clients partnering with advisory and tax partners on what to account for to have full transparency and awareness of where they are headed for their industry and distribution channels.

PwC shared how organizations can produce a multiplier effect by focusing on areas where there are large-scale tax implications in the strategic moves they are making. One example provided was to focus on tax implications and value generation capabilities in the case of spin-offs and divestitures, wherein tax actions enabled clients to mitigate the break-up costs. More broadly, tax participation in deals as well as geographical expansion efforts can often provide funding via credits and incentives as well as ensure longer-term realization of benefits via tax rate and/or cash generation. PwC's tax leaders also stressed that tax is the largest consumer of data in most companies, making them well positioned to utilize GenAI/AI solutions to produce insights and cost savings from the data. Another area the PwC team focused on was the risks in tax. Tax authorities have incentives to pursue and audit tax issues to meet fiscal needs, and working with PwC can provide the leverage needed to proactively manage these risks through robust reporting and structuring as well as mitigate or address controversy matters.

## ADVICE FOR PWC

- As many of the presentations made clear, the use of new technologies is far from a cut-and-dry personal development requirement for workers to gain functional knowledge. A complex web of system dynamics is connecting each organization to a network of global partnerships required to build AI-enabled business models. These models in turn depend upon ready access to energy to power compute for large language models. And the intersections continue across geopolitical boundaries, tax law, and governance. For the future of work to realize the potential of a fully AI-enabled business, organizations will need to rely on the global perspective of service providers and arm themselves with the tools and insights to move beyond traditional industrial-era perspectives. PwC will need to support organizations as they experiment with new business AI-enabled models. It will also need to help clients think beyond old productivity measures that envision human work as a commodity on a balance sheet.
- PwC must ensure that it shows seriousness for this services category by offering services across the entire product life cycle. This would require them to go beyond their traditional strengths (i.e., strategy/consulting services and include testing, building products, and managing these products across their entire life cycle). PwC will also have to figure out the business model (i.e., doing everything on their own [organic] or collaborating with tier 2 and tier 3 engineering services partners). Either way, if they collaborate with their customers for their product road map journey, they will see a positive impact on branding and revenue.
- PWC should be more explicit about communicating and embedding the value of data literacy and governance in all of PwC's lines of business. Include

assessments and training options for a broad range of audiences, both in IT and in business.

- PWC should emphasize modern delivery technologies (e.g., DevOps, CI/CD, SRE) as part of providing seamless integration across the life cycle of services.
- To be able to offset any potential price and spending cut expectations associated with AI-enabled service delivery, PwC should be prepared to demonstrate the additional value (such as greater personalization, better insight, or greater innovation) that the firm can generate with its reimagined, AI-enabled service offerings. The firm should also consider its support model for these new offerings, as clients will expect a seamless experience and predictable, tangible outcomes from the AI-enabled services they consume through software.
- PWC should continue to build on domain expertise, which remains essential to actively participate in rapidly developing technology projects that are integrated with real-time events. Remain focused on security, privacy, and governance issues that surround GenAI technology, especially as the availability of data and content continues to increase, which raises the level of complexity to deliver services.

## LEARN MORE

## Related Research

- *IDC PeerScape: Critical Insights for the Implementation of Generative AI in the Life Sciences Industry* (IDC #US52683124, November 2024)
- *IDC FutureScape: Worldwide Services 2025 Predictions* (IDC #US52634524, October 2024)
- *Market Analysis Perspective: Worldwide Digital Engineering and OT Services, 2024* (IDC #US51625924, September 2024)
- *GenAI's Impact on IDC's Services Markets* (IDC #US52587223, September 2024)
- *Moving Agentic Workflows into Work* (IDC #US52551724, September 2024)
- *The AI Transformation of Services* (IDC #US51906624, March 2024)
- *Managed Cloud Services and Multicloud Operating Models* (IDC #US51494824, February 2024)
- *PwC Analyst Day 2023* (IDC #US51281223, December 2023)

## Synopsis

This IDC Market Perspective details PwC's 2024 Analyst Summit, highlighting the firm's strategic focus on AI, sustainability, and business transformation. Key themes included leveraging AI for competitive advantage, integrating multiple technologies for

ecosystem reconfiguration, and enhancing client services through innovative solutions like GenAI. PwC's investments in AI, engineering services, and sustainability reflect its commitment to driving growth and managing risk. The firm also emphasized the importance of data literacy, modern delivery technologies, and a security-first culture to support AI-enabled business models and client success.

"Overall, PwC's comprehensive approach to integrating AI, sustainability, and managed services positions it as a strategic partner for clients navigating the complexities of modern business environments," notes Erin Hichman, research manager, IDC's Digital Business Professional Services program. "The firm's emphasis on innovation, client-centric solutions, and strategic partnerships underscores its commitment to driving growth and transformation across industries."

## 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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