

PwC to World: 'We Implement'

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At the PricewaterhouseCoopers' Analyst Day, senior practice leaders emphasized that PwC delivers services across the full project life cycle, including implementation.

NEWS ANALYSIS

Event

On 15 July 2008, at PricewaterhouseCoopers' (PwC's) Analyst Day 2008, PwC senior consulting practice leaders presented a comprehensive vision and case studies to illustrate PwC's consulting strategy.

Analysis

In 2002, PwC sold a large part of its consulting practice to IBM for \$3.5 billion. For five years thereafter, PwC was prohibited from engaging in most IT system integration projects. Since 1 October 2007, when the noncompete agreement expired, there has been speculation as to whether PwC would get back into the IT implementation business.

At the PwC's Analyst Day, U.S. Advisory Strategy Leader Joe Duffy ended the speculation, stating, "We are full scale in the implementation and integration business."

PwC clarified that its implementation stops short of coding for large-scale customization of business applications. The firm offered an example wherein its India-based operations performed the coding for a client's financial data warehouse, but a system integration partner coded the business application customization.

To demonstrate the range of its capabilities, PwC offered two case studies with clients and engagement teams:

- Idearc, a \$3 billion Verizon spinoff, which had to break free of the parent's shared services and stand up its own systems within a year
- Microsoft, for which PwC helped manage the transition of acquired companies' systems to Microsoft ones

With Idearc, PwC was engaged through the full project life cycle leading to the one-day flash cut-over to Idearc's new systems. Much of this engagement occurred while PwC was still under the IBM noncompete agreement, and Satyam Computer Services did much of the system integration work. PwC also helped Idearc shift to an IT strategy heavily dependent on outsourcing, which saved the new company millions of dollars.

The Microsoft engagement demonstrated how PwC can partner in an ongoing program. Implicit but unspoken was that PwC is well-positioned to play a part in the Yahoo acquisition if that should happen.

RECOMMENDATIONS

- **Enterprises looking for an independent consultancy that integrates business advisory and IT services:** Consider PwC alongside direct competitors such as Deloitte. PwC can provide program management and advisory services throughout the life cycle of medium- to large-scale system integration projects. For the next 18 months, if PwC engages in system integration without a traditional system integration partner, clients should ensure they have very clear acceptance standards in their contracts, and verify that PwC has the implementation talent available specifically for their job.

RECOMMENDED READING

- "IBM's Decisive Acquisition Validates Patience and Candor" — This 2002 report outlines the rationale for IBM's PwC consulting acquisition. **By Cathy Spencer and Kraft Bell**
- "How to Use a Vendor Evaluation Model to Standardize IT Services Provider Selections" — Use a consistent, structured and repeatable methodology for IT services provider evaluation and selection. **By Fran Karamouzis**

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