
APS1049 Management Consulting for Engineers – Final Team Project, Summer 2020

After COVID-19, should PwC modify its offerings? How?

Executive Summary

The COVID-19 pandemic has given rise to shifts in consumer and corporate behaviour, level of government intervention, and economic markets across all industries. While most of these changes are acute, some will likely have a significant residual effect in the long term as well. These changes impacted the management consulting industry that will lose 19% of its global revenue by the end of 2020 (from \$160 billion in 2019 to \$130 billion in 2020) with the second and third quarter of 2020 expected to be the worst periods. However, we anticipate a rapid recovery in some industries which will likely commence before the end of the year, there will be large variations across regions, countries, industries and firm types.

The primary objective of this report is to provide recommendations to our client (PwC or PricewaterhouseCoopers) regarding actions and changes to modify its offerings during post covid-19 period. Secondary objectives are: 1) identify sectors that should be targeted and what offerings will be most needed; 2) assess 16 Canadian industries to narrow down the list of those sectors in which PwC has deep expertise; 3) define the “post covid-19” estimated timeline for these changes.

In the first chapter, we discuss the background and our value proposition. Recent changes impacted the management consulting industry that will lose a significant portion of revenue by the end of 2020. Our recommendations will help to minimize the damage and help PwC Canada to modify its offering during and after the COVID-19 pandemic. This project targets those sectors that need the most help in order to recover and provides various growth strategies. A realistic timeline will be from June 2020 to January 2022 for immediate opportunities, from Jan-2022 to January 2023 for the recovery phase, and after January 2023 for the growth phase.

In the second chapter, we perform internal & external analysis to narrow down the list of sectors that are attractive for management consulting projects. We evaluate these sectors using the “Four Quadrants of Change” framework. This allows industries to be ranked by level of expected change in order to remain competitive. At the same time, we evaluate PwC Canada’s current offerings and its main competitive advantages. Based on this analysis we identified three most promising sectors: technology, telecommunications (Telecom), government & public sectors.

In the third chapter, we share our findings for technology, telecommunications, government & public sectors. For the technology sector, we found that the COVID-19 pandemic has caused remote working to

become the new norm particularly in technology companies and the industry is gradually shifting towards remote hiring. Secondly, the COVID-19 pandemic has caused employees to be dispersed across different places in Canada (even around the world), and they can only communicate with each other through virtual meeting softwares. However, most of the current virtual meeting softwares can be inefficient and challenging to build a coherent and consistent corporate culture within due to the lack of physical communication. Thirdly, tracking employees and managing payroll can also become a problem when everyone is now working from home. Finally, when everything has moved online, internet security has become a major problem. For the telecommunication sector, we found that working from home has caused a surge in WiFi usage and a decrease in mobile data usage. This will definitely impact the business of many Telecom companies. Secondly, the high usage of telework, telehealth, and distance learning during this pandemic further highlighted the need for faster network speed and lower latency, all of which can be achieved by 5G network. Finally, the Canadian government doesn't have a nationwide coherent plan on the implementation of 5G, despite having some of the best researchers and professors in telecommunication around the world. For the government and public sector, the COVID-19 pandemic has caused the Canadian government to add roughly 3.3 billion dollars (at least 10% of 33.5 billion) to Canada's 2020-2021 infrastructure budget. This money will be distributed to government & public sector capital projects that are "shovel ready". "Shovel ready" entails the completion (or near completion) of planning and approval processes so that construction can begin immediately upon receiving funding.

In the fourth chapter we provide our recommendations. For the technology sector, we recommend focusing on developing remote talent acquisition solutions bundled with essential risk management offerings such as employee background checks. Our second recommendation is to offer customized solutions for organizations to build a coherent and consistent corporate culture across a highly diverse and distributed workforce using technology such as VR and AR. Thirdly, we recommend using data analytics and talent management capabilities to design effective productivity tracking solutions and payroll management systems for clients. Finally, we recommend offering cybersecurity solutions centred on remote working such as VPN, anti-malware, encryption, etc. tailored to specific companies and built around zero-trust principle. For the telecommunication sector, we recommend Telecom companies to modify their plans with focus on WiFi and on mobile data plans. Secondly, we recommend creating a list of potential 5G applications specific to COVID-19 and collaborating with software and hardware companies. Finally, we recommend taking the lead and collaborating with the governments (Federal, Provincial, Municipal), industries, and universities to create this telecom strategic plan. For the government and public sector, we recommend modifying PwC's services to focus on consulting for short-term stimulus funding as opposed to long term infrastructure planning. Also, PwC Canada should focus its efforts on existing clients who pursue public transit and road infrastructure projects. At the end of the report we discuss potential risks and key takeaways.