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PwC announces new strategy: The New Equation

Singapore, 16 June 2021 — PwC unveiled The New Equation, PwC's landmark global strategy which responds to fundamental changes in the world, including technological disruption, climate change, fractured geopolitics, and the continuing effects of the COVID-19 pandemic. The New Equation is based on analysis of global trends and thousands of conversations with clients and stakeholders. It builds on more than a decade of sustained revenue growth and continued investment.

The New Equation focuses on two interconnected needs that clients face in

the coming years.

The first is to build trust, which has never been more important, nor more difficult. Organisations increasingly need to earn trust across a wide range of topics that are important to their stakeholders. Success depends on fundamental shifts in the way executives think, organisational culture, systems and ambition.

The second is to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater. Businesses need to change faster and more thoroughly to attract capital, talent and customers. Too often, however, narrowly conceived transformation initiatives do not deliver the outcomes they promise. A new approach is needed.

Yeoh Oon Jin, Executive Chairman of PwC Singapore, said:

“Singapore has been navigating the disruptions of the COVID-19 pandemic with agility and it has changed the way we work and do business forever. In many ways, the profound changes in the world mean that to succeed, organisations need to create a virtuous circle between earning trust and delivering sustained outcomes. In response, we are bringing the best of our people, capabilities and technology together to support our clients in building trust and delivering sustained outcomes for their businesses and wider society.”

How PwC will help build trust and deliver sustained outcomes

PwC’s multidisciplinary model as a network is the foundation for the strategy, bringing together a passionate, diverse community to help organisations build trust and deliver sustained outcomes. The model enables investment at scale in the combination of capabilities that is essential to delivering quality and impact for clients, stakeholders and society. PwC firms will invest US\$12 billion collectively over the next five years, creating over 100,000 net new jobs across PwC, as well as continuing to develop the skills of PwC’s partners and employees.

PwC's approach to building trust is designed to meet rising expectations of transparency and stakeholder engagement. It combines expertise in audit, tax and compliance activity with an expansion of specialist capabilities including cybersecurity, data privacy, ESG and AI. It recognises the importance of quality and that reporting and compliance are just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies, and appropriate governance.

Similarly, delivering sustained outcomes requires an integrated approach. Instead of a traditional technology-driven approach to transformation, PwC's approach is focused on the outcome that effort seeks to achieve. PwC then mobilises expertise in strategy, digital and cloud services, value creation, people and organisation, tax, ESG, deals, business recovery services, legal and compliance, amongst other areas to deliver the agreed outcomes.

Planned investments include:

- **ESG.** PwC will expand Centres of Excellence for specialists on key ESG topics, including climate risk and supply chain, as well as create a global ESG Academy which will enable all PwC partners and staff to integrate the fundamentals of ESG into their work. 1,000 partners from 60 territories across the network have already completed an in-depth six-week programme focused on business issues resulting from critical global trends.
- **Quality.** PwC will continue to invest to further enhance quality across its businesses. This will include US\$1bn dedicated to accelerate deployment of technology that further automates the implementation of quality frameworks in audit, as well as build the delivery model for the audits of the future - which are expected to require more types of data, assess a broader range of risks and more fully integrate non-financial information. This additional technology investment builds on the ongoing focus on quality, supported by rigorous methodology and training across all lines of service.
- **Leadership Institutes.** Today's leaders need new skills to help lead through and manage uncertainty, build inclusive cultures, and support transformation. New Leadership Institutes will be created to support clients and stakeholders. The first Institute will be based in the United States and will empower more than 10,000 of today and tomorrow's C-suite leaders, executives, and

Board members to build trust. Another Leadership Institute will be created in Asia-Pacific and further announcements will be made in the coming months.

- **Technology.** PwC will continue its strategy of being human led and tech powered. It will continue to rapidly expand its use of cloud, artificial intelligence, technology alliances, virtual reality and other emerging technologies to deliver insight and drive competitive advantage for clients. In addition, PwC is accelerating the deployment of technology products, supporting seamless collaboration and enabling its people to automate processes. These products and automations will transform the client experience and allow new insights and value to emerge.

Strengthening our capabilities and presence in Asia Pacific

The New Equation also accelerates PwC's growth in Asia Pacific, with investments of US\$3b over the next 5 years to significantly enhance capabilities to support clients in the region, as part of an ambition to double the size of the business by 2026 and extend its leading position in the market. As mentioned above, PwC will be establishing an Asia Pacific Institute to champion trust building

initiatives in addition to enhancing talent and leadership development programmes for the region. PwC in Asia Pacific also plans to scale up in a number of strategically important areas including ESG, digital transformation, M&A and deals value creation capabilities, providing assurance beyond financial statements as well as strengthening regional delivery centres.

Bob Moritz continued:

“To do what we are setting out to do, we are mobilising multi-disciplinary teams, powered by technology and drawing on deep specialist expertise. We will continue to evolve our ways of working, and expand our capabilities in the areas that matter most for the future, while remaining steadfast in our commitment to quality - bringing together the unique combinations needed to help clients answer the expectations of their shareholders, stakeholders and society at large.”

As part of The New Equation, PwC Singapore will be sharing its revamped strategy to meet the specific needs of our Singapore-based clients in early July.

“We want to bring our deep expertise and capabilities, powered by technology, to create a community of solvers to support our clients and the wider society in tackling the biggest problems of today,” said Marcus Lam, Executive Chairman Designate, PwC Singapore.

Building PwC’s passionate community of solvers

The most important challenges faced by clients and stakeholders can only be met through multi-disciplinary, diverse teams. PwC is doubling down on its existing commitment to attract and equip its people to meet this need - combining human ingenuity with technology to deliver sustained outcomes whilst building trust across the value chain.

PwC is continuing to attract diverse talent, supported by expanded flexible and remote working as well as progressing the previously announced commitment to upskill its own people. The 100,000 net new jobs will be focused in emerging capability areas, from ESG to AI. In addition, PwC globally will continue to hire over 30,000 people into early career posts each year, providing training and qualifications that set people up for a strong career either within PwC or elsewhere.

Bob Moritz said:

“We want our people to be the most sought after in the market, because they have the technical, digital and human skills needed to build trust and deliver sustained outcomes. We are proud that so many people begin their careers at PwC before moving on, and are committed to continuing to support training and development for a new generation of business leaders.”

Here in Singapore, PwC is taking further action to improve its range of competencies such as ESG as well as focusing on digital upskilling of our existing staff. More details will be shared in early July.

Delivering Net Zero, increasing transparency

In addition, the network is mobilising around the commitment made last year to achieve net zero greenhouse gas emissions by 2030, which involves transforming its business model to decarbonise

its value chain. It is submitting specific science-based targets to the SBTi, and each member firm has appointed a Net Zero leader to enable progress based on local plans.

PwC is also increasing transparency around its own operations, through expanded reporting based on the World Economic Forum/International Business Council metrics, as well as the recommendations of the World Business Council on Sustainable Development.

Bob Moritz went on to say:

"There is a strong need for stakeholders from across society to work together. Whether it's the pandemic, climate change, social injustice or the digital divide, there is a growing expectation that businesses have a role to play in addressing broader societal issues. Our new strategy is about helping clients address their toughest challenges and delivering for society and the planet."

About PwC

At PwC, our purpose is to build trust in society and solve important problems. PwC is a network of firms in 155 countries with more than 284,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

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