

General and strategic management

Business, Management



PwC - is also one of the oldest organizations among the World's Great 4 (see Appendix 1), having been founded in December 1849 by Samuel Lowell Price, who set up on his own at 5 Gresham Street in the London City. When he and Edwin Waterhouse subsequently formed a partnership Price Waterhouse in 1865 they could not have possibly contemplated that over a century later, they would be an organization of over 125, 000 people allocated in 142 countries with a global fee income in 2002 of \$13, 8 billion. (Edgar Jones, 2002: xvii, PwC Global Annual Report 2002: 1).

Although Price Waterhouse began in a single office in Gresham Street, it has spread territorially throughout Britain and across the globe creating a truly international organization. Later, on July of 1998 the formalized world of the BIG 6 world professional organizations was reconstructed by merging of Price Waterhouse with Coopers and Lybrand. (Accounting and Finance Journal, 2002: 153)

PricewaterhouseCoopers (PwC) as it was called, moves ahead of its rivals Ernest & Young, KPMG, Deloitte & Touche, Tohmatsu, Arthur Andersen, formalizing by that World's Big 5 with the delivery of professional services (See Appendix 2) in accounting, auditing, and tax, moreover, PwC regarding annual reports for 1999 (International Accounting Bulletin, 1999) was the leader in revenue size globally. PwC scrolled up to the top of the pyramid of the new Big 5 global accountancy firms by breaking away from its competitors in terms of size and quality. (FT, Jun 29, 1998).

In 2002 PwC was the only professional services organization that has been listed in Fortune 100 and with net revenue \$13. 8 billion, by which it left far

behind all its competitors. (www. ft. com: 21/10/03, PwC Global Annual Report 2002: 1) Current Strategies, Strategic Position and Strategic Developments: This triangle shows three core strategy values that PwC have - Excellence, Teamwork, and Leadership. These strategic core values, along with their nine supporting values, define the way PwC wants to conduct themselves and their business. They guide how PwC behaves with its clients and with one another.

The philosophy of it is: living our Values creates value - for our clients, our people, and our organisation. (www. pwc. com: 20/10/03, PwC Global Annual Review: 13) The red part of the triangle reflects Creating New Services, new products and new approaches to client problems, which is the central strategy to the future of PwC. People in PwC believe that their clients rely on their expertise. Clients expect from them to have up-to-the-minute knowledge and skills, evidence not just by the quality of their work, but also by the way they run their business.

This means each of them must build knowledge and skills and make sure on focusing their expertise on providing solutions for their clients. Being the biggest in professional services is a tremendous advantage, but PwC like any other leading organization could lose this advantage without agility. The position of the organization towards this is to be light on its feet, flexible, and responsive. When it comes to maneuvering in the marketplace and responding rapidly to its client needs, they would need to act small!

What they need is to stay ahead of the market by anticipating change, and moving quickly and decisively for its clients' and its own competitive

advantage. The blue part of the triangle is concerned with Teamwork, Relationships and Respect. Clients and PwC people are the life blood of the organization. Accordingly, the way they treat each other in achieving their aims is as important as what PwC achieves. PwC cares about the way they deal with people. That is why PwC clients like working with the company. Short-term, exploitative relationships are not the business of PwC - or its future.

People in PwC believe that with offices in 150 countries and over 35 working languages they are an organization with stunningly diverse group - almost as diverse as their clients, that diversity which bridges not only geography, but social and cultural differences are the keys to the company success. The green and the last part of the PwC strategy triangle is about Leadership and Integrity. The Leadership in organization is not about someone's status or seniority, it is about being a leader on the market and leadership of the people of PwC on that market.

Integrity is the heart and soul of the PwC business. Nothing is more important to them. They do believe, that a good name is always more important than short-term profit. (www. pwc. com: 20/10/03, PwC 2002 Global Annual Review) " We do not conceal, reveal what is confidential, or mislead. We adhere absolutely to the independence and objectivity requirements under which we do our business. We hold to our convictions even under pressure. " (Samuel De Pizza PwC CEO, PwC Global Annual Report: 3) Future Challenges:

In 2001, it was revealed that another big name in professional services Arthur Andersen (AA) has been alleged in bankruptcy and debacle of one of the US giant energy corporations - ENRON, which subsequently brought the disruption of Arthur Andersen itself. AA not only helped the executive directors of Enron Corporation to hide over \$1 bln, but they brought shame to the name of Professional Services Organisation and shadowed doubt on the names of other members of the BIG 5. (www. findlaw. com: 21/10/03, S. DiPiazza, Bulding Public Trust, 2002: v)

Since Arthur Andersen has gone from the worldwide arena of BIG 5, many things has been changed. Arthur Andersent clinets had to move to business with the rest of the, now BIG 4 worldwide leading organizations. Many of Arthur Andersen's ex clients choosed to work with PwC and at the moment PwC serves 76% of Global Fortune 500 companies in Consumer and Industrial Products and Services, in Financial Services - 86%; and inTechnology, InfoComm and Entertainment 86%. Those changes that happened, did not alter the overriding goal of PwC worldwide: to provide the highest quality in all services that they perform.

(PwC Global Annual Report 2002: 1) In a global professional services organisation such as PwC , the development of people is the key component quality. It is also crucial to build public trust in the the profession that PwC does. " While changes in operating procedures, scope of services and regulation may satisfy lawmakers and business executives seeking rapid reform, trust in PwC quality and excellence can not be legislated, it must be

earned daily through hard work" (Samuel A DiPizza, PwC Global Annual Report 2002: 3)