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## Mapping a route to success

“SMART” strategies enable an inclusive, personalized and efficient future

### What makes a “smart city” smart?

Discussions about smart cities often focus on using sensors and the internet of things (IoT) to better manage city services like mass transit, wastewater systems, roads and other public infrastructure. While these connected devices and assets are important, Bill Eggers believes focusing inordinately on the hardware leads to an incomplete vision for building a smarter city.

“A large part of the promise of data science, behavioral science and internet technology is how they can help city planners make smarter decisions. But, technology can also be used to tap into any city’s greatest asset: its citizens,” says Eggers, executive director of the Deloitte LLP (US) Center for Government Insights. “Along with top-down plans for their physical infrastructures, city planners should think creatively about how to leverage technology to better serve and connect to citizens in their smart city models.”

Traditional channels like surveys and town meetings can still be useful methods for engaging with citizens, but technology creates exciting new ways to potentially access direct input from city residents. Jim Guszczka, Deloitte Consulting LLP (US) principal and chief data scientist, cites sidewalk placement in city parks as an illustration of how to potentially tap into the physical and digital breadcrumbs people leave behind. “You could have all kinds of experts do studies on proper design. Or, you could watch where people walk and look for the places where the paths are worn,” he says. Analogously, people’s digital footprints can provide valuable information—from online reviews that can direct health inspectors to restaurants with likely code violations, to texts that report locations of potholes that need to be filled.

City planners and long-term strategies will remain important to the successful functioning of any city. But, the cities of the future will be built upon smart frameworks, like those designed and developed by Deloitte, that respond more efficiently to the needs of citizens.

### Creating a living laboratory

In 2016, Columbus, Ohio, beat out 77 other cities to win the US Department of Transportation’s Smart City Challenge. The title came with a \$40 million grant from the US Department of Transportation and \$10 million from the Vulcan Foundation to pilot mobility innovation designed to improve the quality of life for the citizens of Ohio’s capital city and then be scaled across other cities. The competition asked city governments how they would leverage mobility options, analytics and other technologies to improve citizens’ lives.



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The Smart Columbus team worked with Deloitte Consulting LLP (US) to develop an integrated roadmap, operating and organizational models, a prioritized set of initiatives, and sample metrics for measuring progress. The vision for Smart Columbus includes building a more sustainable transportation network to serve all of its population; piloting new technologies that could make Columbus a living laboratory for smart mobility; and inspiring a culture shift in which city residents and planners alike are eager to explore and adopt new ideas.

The city currently is working on an integrated data exchange, called the Smart Columbus Operating System, that is expected to act as the brain of the city’s connected transportation system and could eventually expand across other smart city domains. “The city has ambitious ideas, and winning the Smart City Challenge grant has helped them immensely with their efforts,” says Rana Sen, Deloitte Consulting LLP (US) managing director and public sector smart city initiative lead. “Now, the Smart Columbus team has the opportunity create a smart city model that not only serves its residents and visitors, but also one that others can emulate.”

### **A connected city at sea**

Cruise ships are essentially self-contained cities, large enough that people may need assistance navigating the many options on board, but small enough that everyone can receive personal pampering. Three years ago, Swiss-based MSC Cruises—the world’s largest privately owned cruise line and brand market leader in Europe and South America—decided to embark on its own journey, a full-scale transformation of its fleet to create a truly differentiated and personalized cruise experience. Deloitte Italy’s Deloitte Digital practice, which has worked with MSC Cruises on its most ambitious change programs since 2012, joined them for the ride.

With the June 2017 launch of its next-generation megaship, MSC Meraviglia, the MSC Cruises Business Innovation Team and Deloitte Digital teamed up to successfully implement “MSC for Me.” It’s an industry-first digital innovation program designed to elevate on-board customer experience by enhancing the way guests interact with the ship and her crew.

“MSC for Me” offers passengers more than 130 smart features, including a dedicated app to help them tailor their vacations at any point during their cruises. The technology can help people find their way around MSC Cruise’s huge ships and locate their children, as needed. It also allows guests to easily book services, restaurants, excursions, shows and more in real time. It has a planning tool they can then use to check in, either before embarking or when on board. It even has a virtual reality function they can use to preview excursions. Interactive bracelets connect with 3,000 Bluetooth/NFC beacons to offer geo-located activity suggestions, and soon, facial recognition will help staff take care of people in a highly customized way.

“Our ships are like smart, connected cities, but with the added complexity of being at sea,” says Luca Pronzati, MSC Cruises Chief Business Innovation officer. “MSC for Me brings some of the latest and most-advanced customer solutions and technology on board our ships. In fact, most of these will be available for the first time ever on a cruise ship.” The company currently is pursuing a fleetwide rollout of the program. Pronzati says, “Our fleet will demonstrate our commitment to innovation today and for years to come, making our ships a holiday destination in their own right.”

“From customer research and conceptual envisioning to user interface design, business adoption and change management, we have joined with MSC Cruises to elevate the customer experience and innovate best of breed solutions, with digital at the core,” says Andrea Laurenza, partner, Deloitte Digital. Adds project lead Tom Jefferies, Deloitte Digital director: “MSC for Me truly responds to the diversity of needs and wants of people on board. It represents an exciting evolution in the cruise customer experience, and we were excited and proud to help make it happen.”

### **Improved insights in M&A**

Mergers and acquisitions (M&A) due diligence was due for an upgrade, and iDeal made it happen. Introduced in FY2017, iDeal is an integrated system of analytics, tools and approaches that extracts deeper, more meaningful insights from a target’s M&A data and provides real-time answers and analyses.



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“Historically, many M&A decisions are based on high-level trends when, in fact, the devil is in the details,” explains Matt Jiggins, partner, M&A Transaction Services for Deloitte France and iDeal’s global project leader. “Potential buyers often don’t have the time to be thorough enough, and as a result, they might not find out the real story behind the numbers until it’s too late. With intuitive interfaces and near real-time analytics, iDeal makes it faster and easier to generate the insights buyers truly need.”

Jiggins says the ability to dive into data to find subtle nuances and hidden nuggets of information—not just during due diligence—is at iDeal’s core. “This is an end-to-end solution that focuses on developing insights at every step of the M&A lifecycle,” he says.

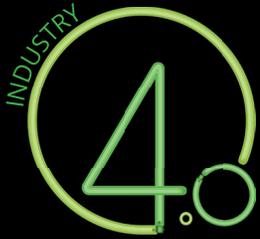
#### Smart, rapid reports

Annual reports are remarkable sources of information because they can reveal strategies and expose risks faced by companies and industries. Squeezing out the juiciest data, though, can be either tedious or expensive, depending on whether a company does its own research or pays for third-party analyses.

A team of data scientists from Deloitte Netherlands had a better idea. “We wanted to create fast, simple, easy-to-read, fact-based reports for everyone—reports that offer insights into an almost infinite amount of data, but allows readers to draw their own conclusions,” says Ewout Bolhuis, Deloitte Netherlands’ director of Innovation.

The team’s solution is [DeloitteSmartReports.com](https://www.deloitte.com/nl/en/services/industry-4-0/deloitte-smart-reports.com), software that uses artificial intelligence (AI), natural-language processing and advanced analytics to review more than 100,000 annual reports and provide exactly what the client requests—in less than a minute. And, at an affordable cost.

Clients—who often are interested in analyzing competitor’s reports—can choose analyses related to strategy or risk. “Our customized strategy reports can identify industry trends, where the competition is going and how a particular business compares,” Bolhuis says. “And our risk reports can help leaders understand and benchmark their business’ risks and show what their competition is struggling with.”



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## Bridging the physical-to-digital divide

Alliances with iconic companies put Deloitte clients on the inside track

### A differentiating approach

The winners in the chase for top spots in the business world may someday thank the pros who race Formula 1 cars. McLaren Applied Technologies is a pioneer in collecting data through sensors and then interpreting and using that information to win automotive races. Now, through [an alliance with Deloitte UK](#), McLaren is introducing its successful, data-driven business products to a broader global audience. Deloitte, meanwhile, is drawing on McLaren’s engineering, sensor, simulation and analytics experience to benefit clients.

“By combining McLaren’s capabilities with our own digital and analytics skills, we will co-create some revolutionary products,” says Mike Dobby, Deloitte UK partner. Those products—which focus initially on the health care, life sciences, retail and transport industries—will combine specialist hardware and software with sophisticated algorithms in ways that can bridge the “physical-to-digital” divide challenging many organizations.

The McLaren alliance is one of several that Deloitte firms have forged among the world’s most admired companies, including Amazon Web Services, Facebook, Hewlett Packard Enterprise, Oracle and SAP. “Building on Deloitte’s industry sector strength, along with our capabilities in digital and business transformation, we know Deloitte clients are better served when we align with great companies to enhance our solutions,” says Ken Hutt, Strategy & Innovation leader, Deloitte Global. “But, these alliances do more than simply add value for Deloitte, its clients and its alliance companions. They can shape entire markets and business models.”

Paul Silvergate, partner, Deloitte & Touche LLP (US) points to the alliance with HP as an example. “Together, we’ll work to help large enterprises transform efficiently and effectively, integrating solutions such as Device as a Service (DaaS) and, in manufacturing operations, reinventing their product design and supply chains through large-scale adoption of HP’s 3D printing systems,” he says. “3D printing has the potential to fundamentally change manufacturing as we know it.” Alliances like those with Amazon and Facebook also have the potential to advance the way work gets done by helping clients evolve more into digital businesses.

“Collaborations are important to Deloitte’s strategy moving forward because they give us advantages that can be game-changing for clients,” Hutt explains. “When businesses have challenges to solve, they often look to Deloitte already. But, when we can offer the inventive capabilities of companies like Apple, HP or McLaren on top of Deloitte’s, that’s a real differentiator.”



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### Strategic acquisitions

In addition to many newly formed alliances, Deloitte firms acquired 21 companies during FY2017, many of which will enhance the network’s analytics, cyber and digital capabilities. Those strategic acquisitions include:

- [Casey Quirk](#), the world’s largest strategy consultancy devoted exclusively to serving the asset-management industry. (Deloitte Consulting LLP (US))
- [Cornerstone Group of Companies](#), a digital marketing and analytics firm with more than a quarter century of success in customer acquisition and retention. (Deloitte Canada)
- [Day1 Solutions LLC](#), a cloud and enterprise solutions provider. (Deloitte Consulting LLP (US))
- [Integrity-Paahi Solutions Inc.](#), a leading information services security provider. (Deloitte Canada)
- [Market Gravity](#), a proposition design consultancy that helps the world’s leading brands create and launch products and services. (Deloitte UK)
- [Microeconomix](#), a leading provider of microeconomic analysis and econometrics consulting services. (Deloitte France)
- [Morse Consulting](#), an investment and wealth sector advisory service provider. (Deloitte Australia)
- [Regester Larkin](#), a crisis-, issues- and reputation-management consultancy firm. (Deloitte UK)
- [Strut Digital](#), a boutique technology company and managed-services provider that helps companies move to and manage cloud-based IT environments. (Deloitte Australia)
- [Web Decisions LLC](#), a data management and marketing services company that excels at personalizing key customer touchpoints. (Deloitte Consulting LLP (US))