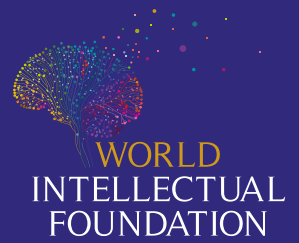


FORTUNE TELLERS OR FORTUNE SELLERS!

TIME TO AUDIT THE AUDITORS?



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FOREWORD

The world is driven by marketing, and marketing is driven by 'shock therapy' from the so-called big consulting majors, often referred to as the 'Big Four or Five'. Why 'big'? We do not know.

When we spoke with the people from the government and private sector, many confessed to being run by guidance from such consulting companies. These companies release glossy reports with impressive visualizations that capture the imaginations of corporations and governments. Finally, these consulting companies charge millions of dollars, become consultants, draft the plans and policies and even place their consultants in government offices as development partners! Multi-billion-dollar plans are made, and businesses are created and funded based on these fancy reports with mind-boggling growth statistics. However, businesses may get killed based on such fancy numbers, or the taxpayers' money is frittered away by the governments in pushing for plans based on their numbers. Bureaucrats use these consulting corporations to escape their responsibility by attributing their decisions to the reports.

We looked at the predictions of these companies and mapped their predictions (over the past 10 years) with reality. Interestingly, these reports are based on assumptions that are never put in the public domain, and these predictions always come with a rider: 'prediction is subject to market forces, externalities, blah ... blah ... blah.'

We are not making any judgement here on whether or not these consulting companies are predicting the future like 'Fortune Sellers

or Fortune Tellers', where some numbers click and others fail by a huge margin. We hope that various stakeholders will do an exhaustive study on these big consulting majors, examine their predictions and determine how much loss they may have caused to governments, corporations and the financial markets. Finally, ask for accountability for these predictions. What bothers me is that if these consulting brains can predict the future, why not the 'riders' that come with these predictions, should they fail?

Whether it was Y2K in the late 1990s or autonomous vehicles or smart cities, the list is long. They have always oversold the story with mind-boggling statistics, grabbing the industry's or government's attention. The reports come now and then, and we read their snippets in the media. Then, people flip these reports and make PowerPoint presentations or pitch decks quoting these numbers to make a case for financial allocations with plans. These companies will always predict the long term—the next 10, 20 or 30 years—but rarely the short term, that is, 1, 2 or 3 years, as they know they will not hit the mark. The biggest corporate scams happened with these global consultants being the consultants or auditors, be it Enron or Satyam. Why do we still dole out millions of dollars to buy their numbers when they cannot even audit the figures reported on the balance sheets? What makes us believe in their prediction of the future?

The question that the corporate world and the governments across the world have to ask is: 'Is it worth believing their predictions and paying millions of dollars for such reports or consulting assignments, which may fall

flat and cost you your business or lead to splurging the taxpayer's money?'

We have no intention of tarnishing or questioning any company's business model, as we are taking the data from these companies and putting it in a format to map the reality versus the predicted. It is time for the industry and governments to take a call on what should be done with these 'Fortune Sellers or Fortune Tellers'.

I served on large corporate boards/ advisory boards and have experienced this first-hand,

and so I have wanted to do this study for a long time. Finally, in this foundation, I initiated this study, and I appreciate the efforts of the World Intellectual Foundation team, with a special mention to Ms Kaumudi Shah for her work.

I hope you will find it interesting and helpful. Feel free to share your thoughts.

Yours truly,

[Dr Rajendra Pratap Gupta, PhD](#)
[Executive Chairman](#)

PricewaterhouseCoopers (PwC)

S. No.	Context (Context behind the Predictions)	Prediction (Numbers)	Reality (Numbers)
1	By 2020, an estimated 50 billion devices are expected to be connected to the Internet, 10 times the installed base of personal computers.	50 billion devices <i>(Connected car study 2015 & Racing ahead with car and innovation, 2015)</i>	21.7 billion devices <i>(Lueth, State of the IoT 2020: 12 billion IoT connections, surpassing non-IoT for the first time, 2020)</i>
2.	Market potential autonomous driving will have 33% compound annual revenue growth to €39.6 billion in 2021 .	€39.6 billion <i>(PwC, 2015)</i>	€1.41 billion <i>(Transportation & Logistics: Autonomous Cars Market, 2021)</i>
3.	Electric vehicles in 2016 make up less than 0.1% of total global vehicle stock, but sales are expected to increase tenfold from 164,000 in 2014 to 1,695,000 (1.6 million units by 2019).	1,695,000 (1.6 million) units <i>(Capturing value from disruption Technology and innovation in an era of energy transformation, 2016)</i>	2,276,000 (2.2 million) units <i>(Irle & Roland, 2021)</i>
4.	One of the major hurdles the pharma industry faces is the rising healthcare bill. The demand for medicines is rising, and global pharmaceutical sales could increase by nearly 40%, to roughly US\$1.6 trillion by 2020 .	US\$1.6 trillion <i>(PwC Report Forecasts a Golden Era Ahead for Pharmaceutical Companies, but Global Growth Markets Won't Guarantee Success, 2012)</i>	US\$ 1.2-1.4 trillion <i>(IQVIA, 2021)</i>
5.	The Indian e-commerce market is expected to reach US\$125 billion in terms of its gross merchandise value, growing at a rate of 31%, and it is estimated that the packaged consumer goods sector will grow at a pace of 18% and cross the US\$100 billion mark by 2020 .	US\$100 billion <i>(PwC, 2016)</i>	US\$46.2 billion <i>(Indian Brand Equity Foundation, 2022)</i>

6.	The internet of things (IoT) marketplace will be worth US\$1.7 trillion in 2020 , with the biggest portion being hardware, followed by services, connectivity and software.	US\$1.7 trillion <i>(PwC, 2019)</i>	US\$622 billion <i>(GlobalData, 2020)</i>
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Boston Consulting Group

S. No.	Context (Context behind the Predictions)	Prediction (Numbers)	Reality (Numbers)
7.	Potential exists for digital transactions in India to triple from US\$40 billion to US\$100 billion by 2020 .	US\$100 billion <i>(Digital Consumer Spending in India: A \$100 Bn Opportunity, 2018)</i>	US\$265.3 billion (value for Unified Payments Interface transactions only) <i>(Press Information Bureau Government of India Ministry of Electronics & IT, 2020)</i>
8.	Developers are finding new opportunities in the IoT. Some 25 billion new IoT devices (including cars, heating and air-conditioning units, lighting systems, farm equipment, wearables and security systems) will come online from 2015 to 2020, doubling the current number.	25 billion IoT devices <i>(The Growth of the Global Mobile Internet Economy, 2015)</i>	21.7 billion IoT devices <i>(Lueth, State of the IoT 2020: 12 billion IoT connections, surpassing non-IoT for the first time, 2022)</i>

McKinsey & Company

S. No.	Context (Context behind the Predictions)	Prediction (Numbers)	Reality (Numbers)
9.	Global media spending is forecast to top US\$2 trillion by 2019 .	US\$2 trillion <i>(Bagchi, Murdoch, & Scanlan, 2015)</i>	US\$634 billion <i>(Jonathan Barnard, 2021)</i>

10.	Self-driving cars could have a potential economic impact of US\$100 billion to US\$1.4 trillion per year in 2025 . This assumes that 75–90% of cars sold from 2017 to 2020 in the high-end auto segment, as well as 20 to 30% of mid-priced cars, could have self-driving capability. That would translate into approximately 10–20% of the 1.2 billion private cars projected to be on the road in 2025 having the ability to self-drive in at least half of all traffic situations.	US\$1.4 trillion <i>(Disruptive Technologies: Advances that will Transfer Life, Business and the Global Economy, 2013)</i>	US\$1.45 billion in 2020 <i>(Business Insights, 2021)</i>
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KPMG

S. No.	Context (Context behind the Predictions)	Prediction (Numbers)	Reality (Numbers)
11.	India has about 0.36 million telecom towers, which are likely to increase to 0.7 million towers by 2020 , with a large proportion of the new towers being built in rural and semi-urban areas, reflecting the much faster rate of new consumer addition in rural/semi-urban areas compared to urban areas going forward.	0.7 million towers <i>(KPMG, 2011)</i>	0.59 million towers <i>(Dua, 2020)</i>
12.	Mobile advertisements are expected to grow from ₹16.92 billion in 2016 to reach ₹132 billion in 2021 at 50.93% compound annual growth rate.	₹132 billion <i>(KPMG, 2017)</i>	₹160 billion <i>(dentsu, 2022)</i>

13.	The UK's automotive industry has been growing strongly in recent years, bucking the trend seen in other European Union countries, with production rising to 1.6 million vehicles in 2014 and forecast to rise to 2.0 million vehicles in 2018 .	2.0 million <i>(KPMG, 2015)</i>	1.60 million <i>(Chris Rhodes, 2019)</i>
14.	Digital advertising is expected to grow in India at a compound annual growth rate of 31% to reach ₹294 billion .	₹294 billion <i>(KPMG, 2017)</i>	₹213 billion <i>(dentsu, 2022)</i>
15.	In 2016, social media ad spending in India was ₹19.11 billion, and it is expected to cross to ₹45 billion in 2020 , growing at a compound annual growth rate of 23%.	₹45 billion <i>(KPMG, 2017)</i>	₹2.71 trillion <i>(Madison Advertising, 2020)</i>
16.	(2017) India's online education market is set to grow to US\$1.96 billion and around 9.6 million users by 2021 from US\$247 million, and around 1.6 million users in 2016.	9.6 million users US\$1.96 billion worth <i>(Online Enducation in India: 2021, 2017)</i>	360 million users (in year 2020) <i>(PGA Labs, 2020)</i> US\$5.6 billion worth <i>(imarc)</i>

Deloitte

S. No.	Context (Context behind the Predictions)	Prediction (Numbers)	Reality (Numbers)
17.	Currently, India has the second highest number of citizens online in the world, accounting for ~10% of the world's Internet population, and it aspires to connect 800 million new citizens by 2020 , of which 600 million would be broadband users .	Total connected: 800 million & 600 million broadband users <i>(Deloitte, 2016)</i>	Total connected: 749.071 million & 698.231 million broadband users <i>(Telecom Regulatory Authority of India, 2020)</i>

18.	We forecast 100 companies around the world will have deployed 5G by the end of 2020.	100 companies around the world will have deployed 5G. <i>(Deloitte, 2020)</i>	No particular data for all the companies, only the best or top companies available <i>(Baker, 2022)</i>
19.	Globally, more and more cyclists are taking to the roads, assisted partially by an array of technological advances. We predict that tens of billions of additional bicycle trips per year will take place globally in 2022 over 2019 levels.	Tens of billions <i>(Deloitte, 2020)</i>	This prediction was vague. Tens of billions cannot be defined in any sense. A prediction should be made clear with statistics and its explanation.
20.	By 2020, home 3D printers will likely be more similar to power tools than PCs: About 10-20% of homes may have one, or want to have one, but they will be far from ubiquitous, and even owning a 3D printer may be like owning a power drill. Unlike a PC, a 3D printer is a device that most people are likely to use only rarely, and not daily.	About 10-20% of homes may have one 3D printer. <i>(Technology, Media & Telecommunication Predictions, 2015)</i>	The prediction was vague as 'having one' and 'wanting to have one' are quite unrelated for either the seller or the buyer. 3D printers aren't common in households. <i>(Miller, 2022)</i>
21.	The global podcasting market will increase by 30% in 2019 to reach US\$1.1 billion in 2020, surpassing the US\$1 billion mark for the first time.	US\$1.1 billion <i>(Stewart, Casey, & Wigginton, 2019)</i>	US\$11.46 billion <i>(Podcasting Market Size, Share and Trends Analysis Report by Genre)</i>
22.	By the end of 2020, there will be over 700 satellites in low-earth orbit seeking to offer global broadband internet, up from roughly 200 at the end of 2019.	700 satellites <i>(Deloitte, 2019)</i>	7,500 satellites <i>(Clarke, 2021)</i>

23.	There is no doubt that the smart cities market will increase significantly over the next five years, to be anywhere from over US\$400 billion to over US\$1.5 trillion by 2020.	US\$1.5 trillion <i>(Deloitte, 2015)</i>	The prediction itself was in a wide range, from US\$400 billion to over US\$1.5 trillion. Yet the global smart cities market was valued at US\$648.36 billion in 2020. <i>(Kumar, Borasi, & Kumar, 2022)</i> The basic understanding of what we mean by a 'Smart City' is neither consistent nor universal.
24.	By 2020, the robotics industry could reach a market volume of US\$100 billion.	US\$100 billion <i>(Beyond the Noise The Megatrends of Tomorrow's World, 2017)</i>	US\$27.73 billion <i>(Global Robotics Market-Growth, Trends, COVID-19 Impact, and Forecasts (2022-2027))</i>
25.	In 2020, the global audiobook market will grow by 25% to US\$5 billion.	US\$5 billion <i>(Stewart, Casey, & Wigginton, 2019)</i>	US\$4 billion <i>(Home: Next Generation Technologies: Global Audiobooks Market Size, Share & Growth Report, 2030)</i>

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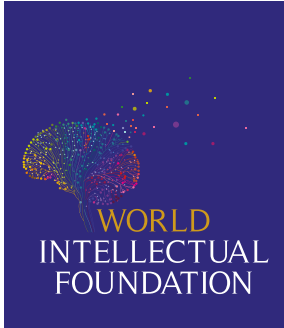
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ABOUT WORLD INTELLECTUAL FOUNDATION



The World Intellectual Foundation (WIF) is a global not-for-profit and a non-partisan think tank headquartered in Delhi and works on diverse topics and themes to promote global Peace, Prosperity, and Sustainability.

The objective of the Foundation is to encourage and assist individuals, organizations, and governments in implementing research-driven ideas that are bold, innovative, and pragmatic. Our approach is to catalyze the policy initiatives with dynamic and holistic recommendations that are implementable.

Executive Chairman of the Foundation, Dr. Rajendra Pratap Gupta, is a revered policymaker and a global thought leader. He has been involved in setting up the foundation. Rajendra is responsible for the day-to-day affairs of the foundation besides ideating and delivering the projects at the foundation.

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