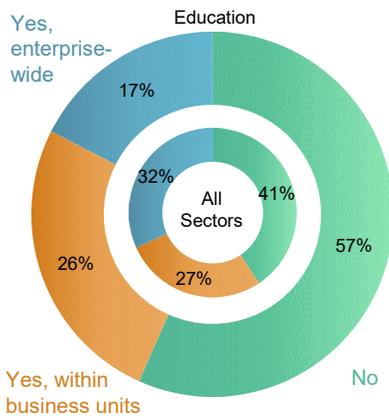The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US$300bn of IT budget spend.

**This Education sector snapshot provides survey responses from 170 IT leaders on some of the key topics, and highlights several areas where this sector's responses differed significantly from those across all sectors.**
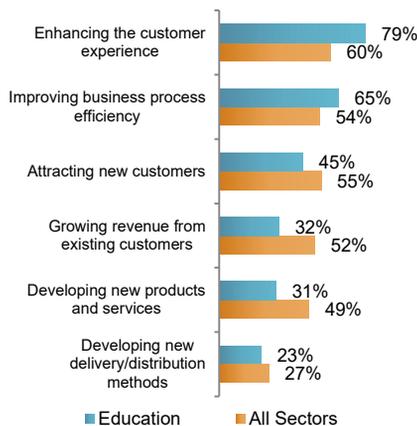
## Digital Strategy

### Does your organization have a clear digital business vision and strategy?



Education (outer ring):
- Yes, enterprise-wide: 17%
- Yes, within business units: 26%
- No: 57%

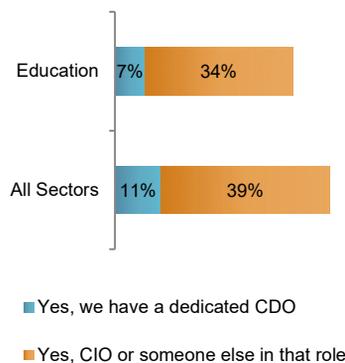All Sectors (inner ring):
- 32%
- 27%
- 41%

Educational institutions are **much less likely to maintain an enterprise-wide digital business strategy** than those in other sectors (17% vs. 32% for all sectors), with 57% having no clear strategy at all.

### Does your organization have a Chief Digital Officer or someone serving in that capacity?



| | Yes, we have a dedicated CDO | Yes, CIO or someone else in that role |
|---|---|---|
| Education | 7% | 34% |
| All Sectors | 11% | 39% |

**41% of educational institutions have a Chief Digital Officer or equivalent**, with 7% having a dedicated CDO and an additional 34% having the CIO or someone else acting in that role. Both figures are lower than other sectors.

### How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



| | Education | All Sectors |
|---|---|---|
| Understanding the impact of digitization on your industry | 47% | 48% |
| Relying upon an overall digital vision to guide decisions | 23% | 32% |
| Integrating core business systems with newer digital solutions | 20% | 32% |
| Hiring and developing people with digital skills | 19% | 24% |
| Redesigning business processes to take advantage of digital technologies | 15% | 24% |

Education effectiveness in key digital capabilities tends to lag peers in other sectors. Education is **most effective at understanding the impact of digitization** (47%), but **struggles with redesigning business processes to take advantage of digital** (15%).

### Which are the most important goals when prioritizing digital technology initiatives in your organization?



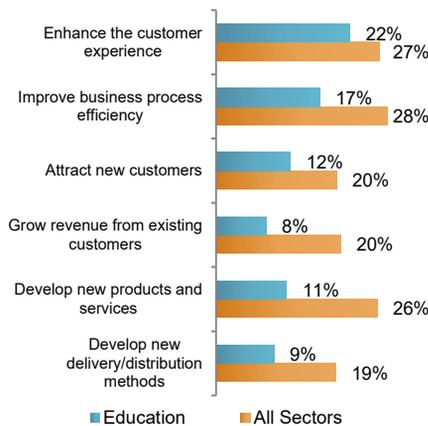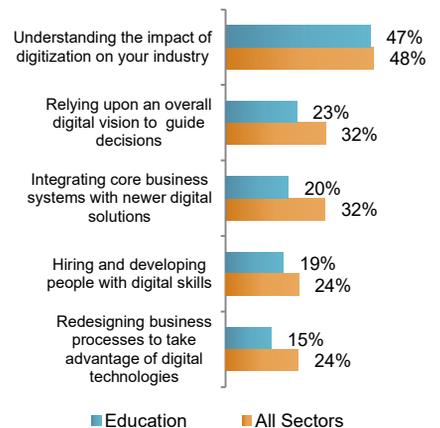| | Education | All Sectors |
|---|---|---|
| Enhancing the customer experience | 79% | 60% |
| Improving business process efficiency | 65% | 54% |
| Attracting new customers | 45% | 55% |
| Growing revenue from existing customers | 32% | 52% |
| Developing new products and services | 31% | 49% |
| Developing new delivery/distribution methods | 23% | 27% |

When prioritizing digital investments, educational institutions **heavily focus on enhancing the customer experience** (79% vs. 60% for all sectors) **and improving business process efficiency** (65% vs. 54%).

### How effective has your organization been in using digital technologies to advance the following goals? (Very/Extremely Effective)



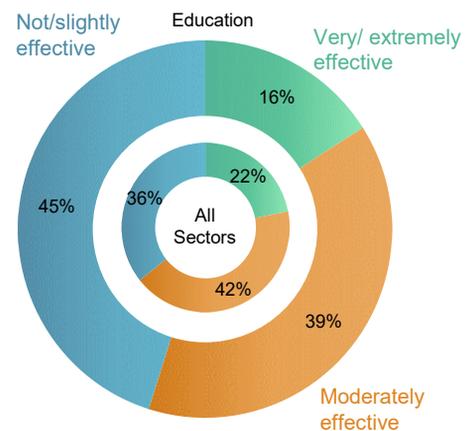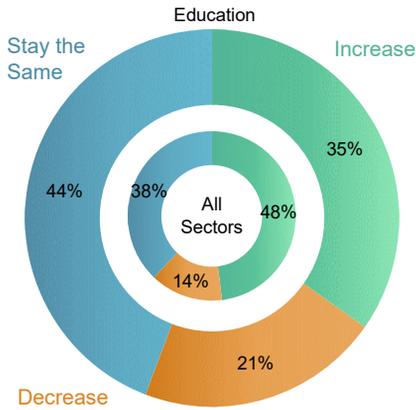| | Education | All Sectors |
|---|---|---|
| Enhance the customer experience | 22% | 27% |
| Improve business process efficiency | 17% | 28% |
| Attract new customers | 12% | 20% |
| Grow revenue from existing customers | 8% | 20% |
| Develop new products and services | 11% | 26% |
| Develop new delivery/distribution methods | 9% | 19% |

Despite its high importance, **educational institutions struggle with using digital to enhance the customer experience** (22% vs. 27% for all sectors). They are even less effective at using it to improve business process efficiency (17%), also an important focus.

### Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Education (outer ring):
- Not/slightly effective: 45%
- Moderately effective: 39%
- Very/extremely effective: 16%

All Sectors (inner ring):
- 36%
- 42%
- 22%

Educational institutions **report lower overall effectiveness levels in their digital strategies** than others, with just 16% describing their digital strategies as very effective or better versus 22% for all sectors.
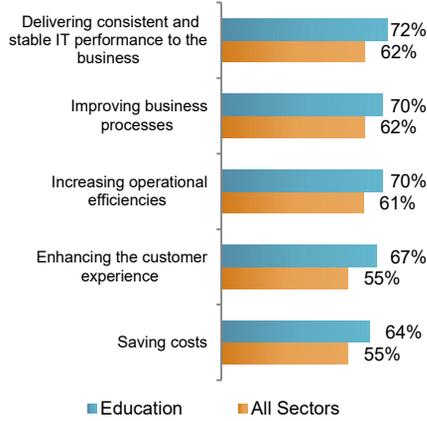
# Budget/Priorities

**Looking forward, over the next 12 months, what do you expect your IT budget to do?**



Education | Increase
Stay the Same
All Sectors
Increase 35% / 48%
Decrease 21% / 14%
Stay the Same 44% / 38%

Educational institutions are **much less optimistic about their IT budgets for next year** than those in other sectors. Just 35% of respondents expect an increase in their IT budgets, compared to an overall average of 48%.
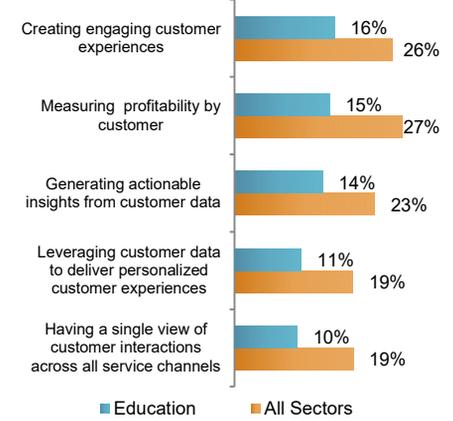
**What are the key business issues that your management Board are looking for IT to address? (top 5)**

| Issue | Education | All Sectors |
|---|---|---|
| Delivering consistent and stable IT performance to the business | 72% | 62% |
| Improving business processes | 70% | 62% |
| Increasing operational efficiencies | 70% | 61% |
| Enhancing the customer experience | 67% | 55% |
| Saving costs | 64% | 55% |

■ Education ■ All Sectors

Compared to other sectors, Education management Boards **heavily emphasize "core" IT issues** such as delivering consistent and stable IT performance (72% vs. 62% for all sectors) and improving business processes (70% vs. 62%). They also place a much higher priority on enhancing the customer experience (67% vs. 55%).
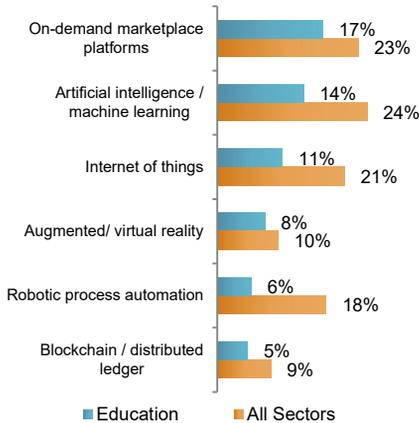
# Customer Capabilities

**How effective is your organization at each of the following capabilities? (Very/Extremely Effective)**

| Capability | Education | All Sectors |
|---|---|---|
| Creating engaging customer experiences | 16% | 26% |
| Measuring profitability by customer | 15% | 27% |
| Generating actionable insights from customer data | 14% | 23% |
| Leveraging customer data to deliver personalized customer experiences | 11% | 19% |
| Having a single view of customer interactions across all service channels | 10% | 19% |

■ Education ■ All Sectors

Despite its focus on enhancing the customer experience, Education **struggles even more than other sectors with five critical customer-focused capabilities.** No more than 16% rate themselves very effective or better at any.
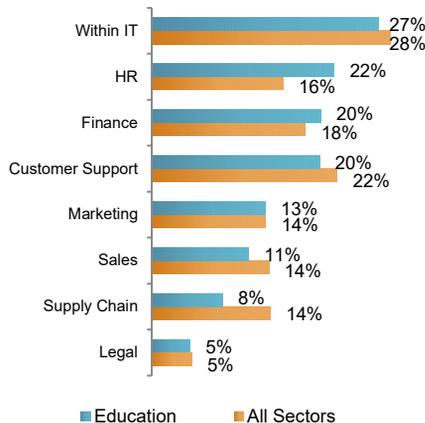
# Technology & Innovation

**How would you characterize your investment in the following technologies? (Moderate/Significant Investment)**

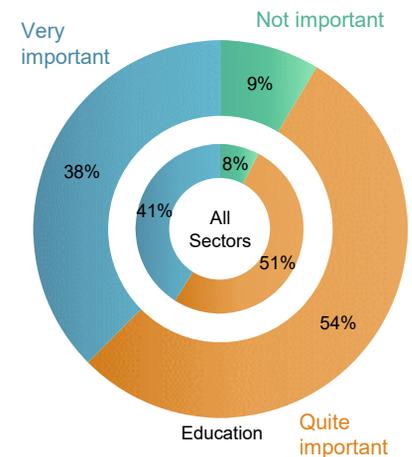| Technology | Education | All Sectors |
|---|---|---|
| On-demand marketplace platforms | 17% | 23% |
| Artificial intelligence / machine learning | 14% | 24% |
| Internet of things | 11% | 21% |
| Augmented/ virtual reality | 8% | 10% |
| Robotic process automation | 6% | 18% |
| Blockchain / distributed ledger | 5% | 9% |

■ Education ■ All Sectors

Of next-generation technologies, educational institutions are **most likely to have invested in on-demand marketplace platforms** (17%) and A.I./machine learning (14%). Overall, their investment in these technologies lags other sectors.

**In which functions have you implemented digital labor / automation?**

| Function | Education | All Sectors |
|---|---|---|
| Within IT | 27% | 28% |
| HR | 22% | 16% |
| Finance | 20% | 18% |
| Customer Support | 20% | 22% |
| Marketing | 13% | 14% |
| Sales | 11% | 14% |
| Supply Chain | 8% | 14% |
| Legal | 5% | 5% |

■ Education ■ All Sectors

While **digital labor / automation remains in its relative infancy across all corporate functions** both in Education and elsewhere, educational institutions are most likely to have implemented it within IT (27%), and in HR (22%).

**How important is it to have an innovative, experimental culture in your organization to ensure its digital strategy is a success?**



Very important / Not important
All Sectors
Very important 38% / 41%
Quite important 54% / 51%
Not important 9% / 8%
Education

As in other sectors, educational institutions **view having an innovative, experimental culture as a critical component of the success of their digital strategies**, with 92% viewing it as very or quite important.

# Conclusion

These results are surprising but understandable. Public universities have multiple purposes and come out of a face to face culture in a bricks and mortar environment. The IT priorities have tended to be speeding up operations and lowering back office costs. In some countries, public spending on universities has expanded and extra resources have been used on physical facilities. These days are changing. The pressure on cost is really on, as is the pressure to improve student experience and use data and analytics to enhance learning. No curriculum is acceptable without a strong digital component. More fundamentally, it is time to reimagine universities as digital businesses and have enterprise wide strategies. Digital transformation will be everyone's business, not just the CIO s.

# Further information

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