

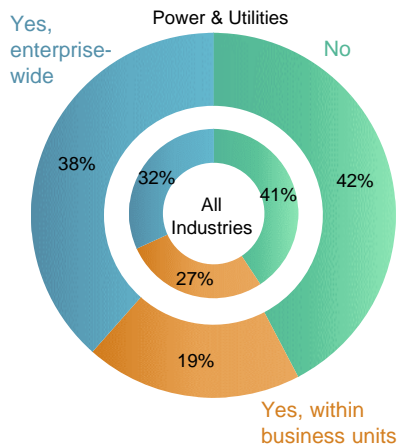


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Power & Utilities industry snapshot provides survey responses from 98 IT leaders on some of the key topics, and highlights several areas where this industry's responses differed significantly from those across all industries.

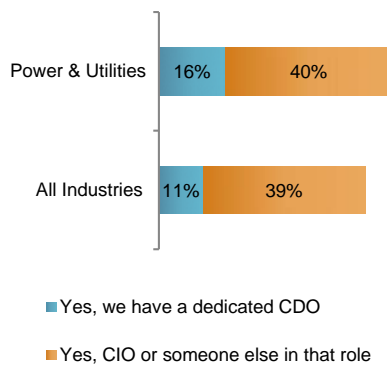
Digital Strategy

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



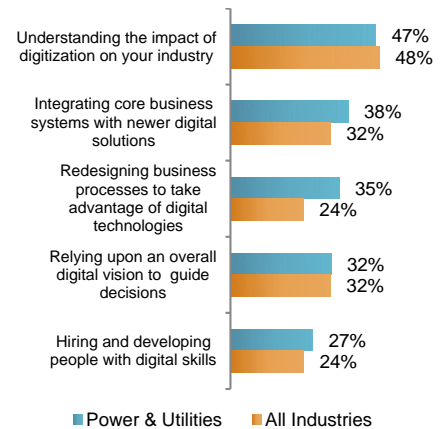
Power & Utilities companies are **more likely to maintain an enterprise-wide digital business strategy** than those in other sectors (38% vs. 32% for all industries), with 57% having a clear strategy either enterprise-wide or within business units.

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



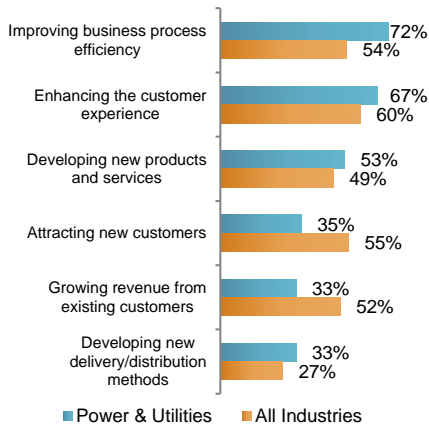
56% of Power & Utilities companies have a Chief Digital Officer or equivalent, with 16% having a dedicated CDO and an additional 40% having the CIO or someone else acting in that role. Both figures exceed the all-industries average.

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



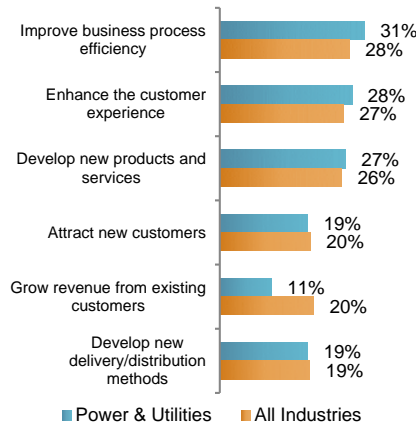
Power & Utilities' effectiveness in key digital capabilities tends to meet or exceed that of peers in other industries. Power & Utilities is **most effective at understanding the impact of digitization (47%)**, but **struggles with hiring and developing people with digital skills (27%)**.

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



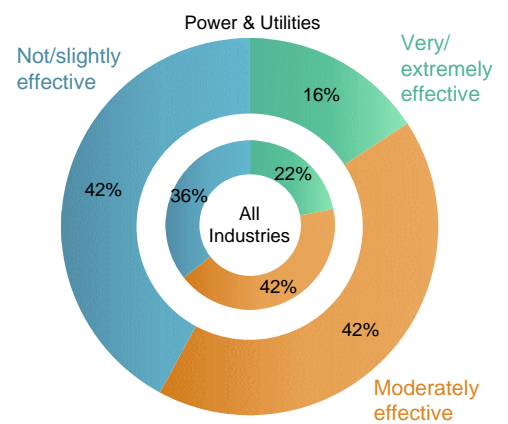
When prioritizing digital investments, Power & Utilities companies **heavily focus on improving business process efficiency (72% vs. 54% for all industries)**. They focus much less on attracting new customers and growing revenue from existing customers.

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



Power & Utilities companies are **slightly more effective than others at using digital to improve business process efficiency (31% vs. 28% for all industries)**. However, they are much less effective at using it to grow revenue from existing customers (11% vs. 20%).

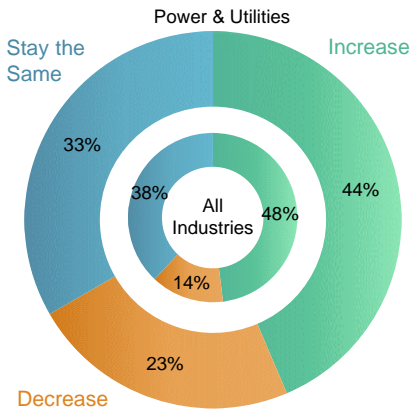
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Power & Utilities companies **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 industries.

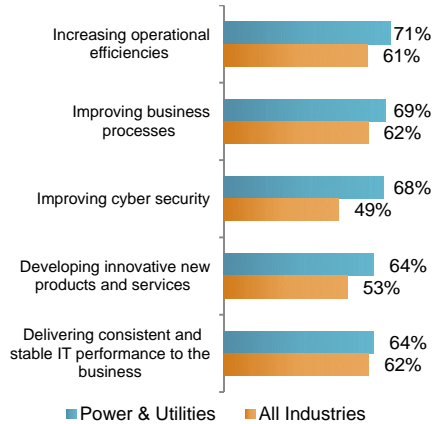
Budget/Priorities

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



Power & Utilities companies are **less optimistic about their IT budgets for next year** than those in other industries. 44% expect an increase in their IT budgets, compared to an all-industries average of 48%, and many more expect their budgets to decrease.

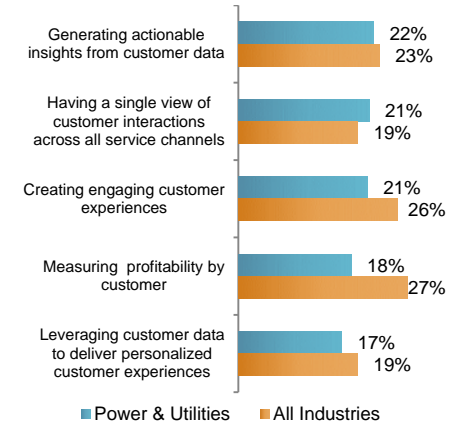
What are the key business issues that your management Board are looking for IT to address? (top 5)



Compared to those in other industries, Power & Utilities Boards **more heavily emphasize increasing operational efficiencies** (71% vs. 61% for all industries) and **improving business processes** (69% vs. 62%). They also place a much higher priority on **improving cyber security** (68% vs. 49%).

Customer Capabilities

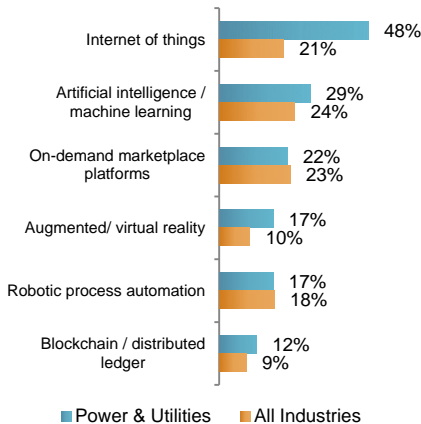
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Like other industries, Power & Utilities **lacks effectiveness in five critical customer-focused capabilities**. On average, no more than roughly a quarter rate themselves at least very effective at any. The opportunity to improve capabilities in measuring profitability by customer and leveraging customer data to deliver personalized experiences are significant for Power & Utilities.

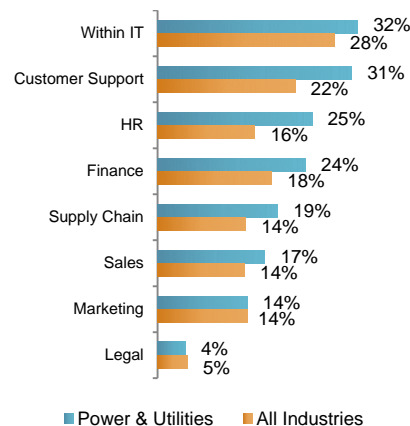
Technology & Innovation

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



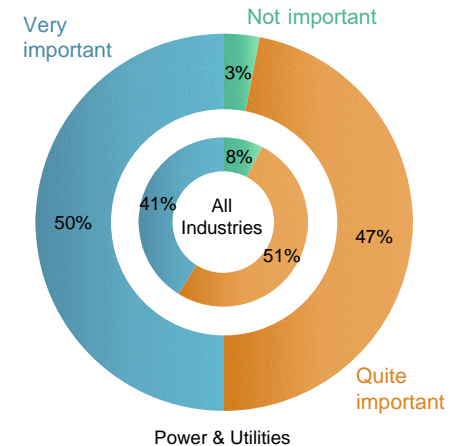
Power & Utilities companies have **invested more heavily in the Internet of Things than any other industry** (48% vs. 21% for all industries). They have also made significant investments in artificial intelligence / machine learning (29% vs. 24%).

In which functions have you implemented digital labor / automation?



Power & Utilities companies have **implemented digital labor / machine learning more often than others** across all corporate functions. They are most likely to have implemented it within IT (32%), and in customer support (31%).

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



As with companies elsewhere, Power & Utilities companies **view having an innovative, experimental culture as a critical component of the success of their digital strategies**, with nearly all of them viewing it as very or quite important.

Conclusion

Power and Utilities companies invested in smart meters before the term IoT even existed. Their early commitment enables them to reap the benefits of the data the smart meters provide. Their next step is to find new and innovative ways to create insight from this data to create micro offers and enhance the customer experience which is an area of opportunity for them.

The CIO survey highlights the importance of driving a digital agenda within the sector. Power & Utilities look to digital technologies to improve business process efficiencies as their top priority followed by enhancing the customer experience.

With increased security and technology risks, managing cyber security risks is critical to the sector. Compared to other industries, Power & Utilities are placing a higher priority on improving cyber security. The importance of critical infrastructure to the lives of people and businesses has made cyber security a boardroom and C-level issue.

Further information

Regina Mayor

Global Sector Head and US National Sector Leader of Energy & Natural Resources
KPMG in the US
T: +1 713 319 3137
E: rmayor@kpmg.com

Ted Surette

Global Head of Power & Utilities
KPMG International
T: +61 2 9335 8720
E: tsurette@kpmg.com.au

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