

THE TRANSFORMATIONAL CIO

Harvey Nash/KPMG CIO Survey 2018

Technology Industry Findings

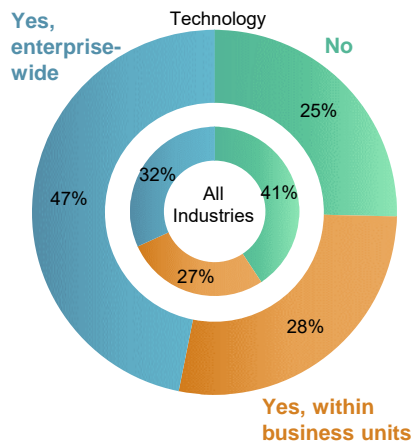


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Technology industry snapshot provides survey responses from more than 500 IT leaders on some of the key topics, and highlights several areas where this industry's responses differed significantly from those across all industries.

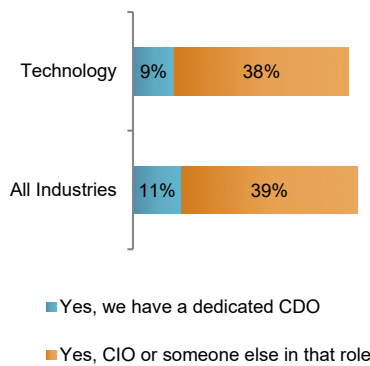
Digital Strategy

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



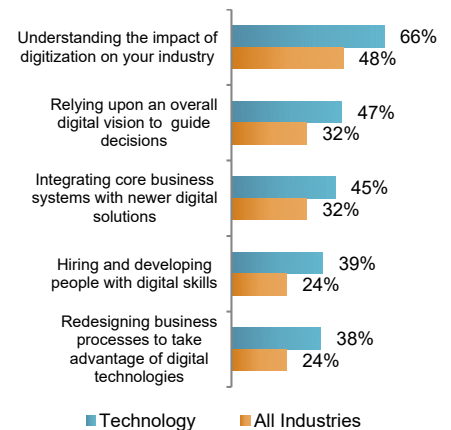
Technology companies are far more likely to maintain an enterprise-wide digital business strategy than others (47% vs. 32% for all industries). An additional 28% maintain a digital strategy within business units. However, 25% still lack a clear strategy.

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



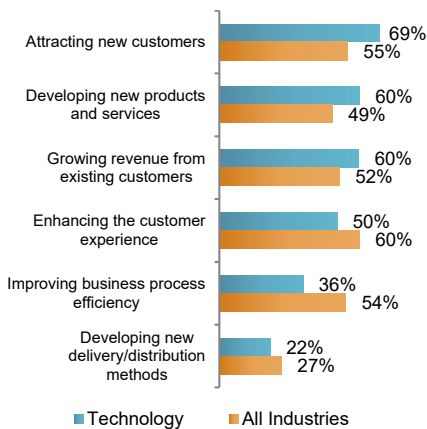
Technology companies are similar to other industries, with 9% having a dedicated Chief Digital Officer. In total, nearly half have a single executive in charge of their digital strategies.

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



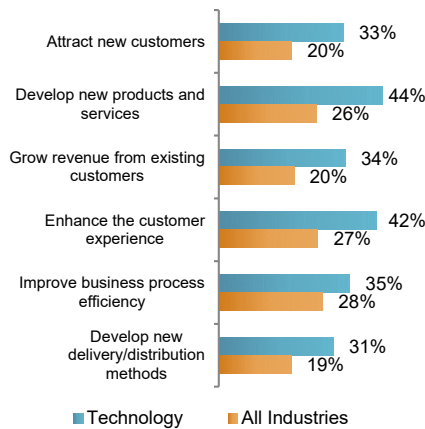
Technology companies excel in key digital capabilities, particularly in understanding the impact of digitization, as compared to other industries (66% vs. 48% for all industries).

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



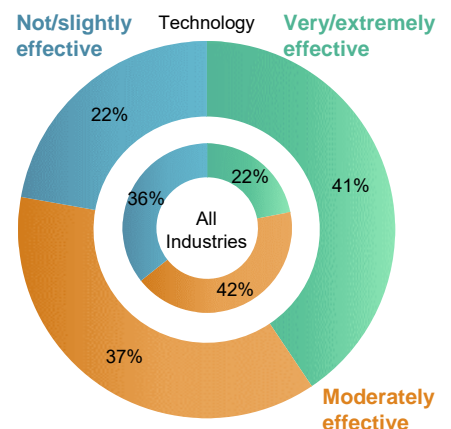
Technology companies focus more heavily on attracting new customers (69% vs. 55% for all industries), developing new products and services and growing revenue from existing customers.

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



No matter the business goal, technology companies believe they are using digital technologies much more effectively than other industries.

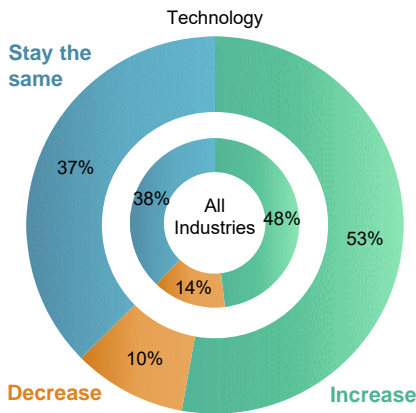
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Technology companies report much higher overall effectiveness levels in their digital strategies than other industries, with 41% describing their digital strategy as very effective or better, compared to 22% for all industries.

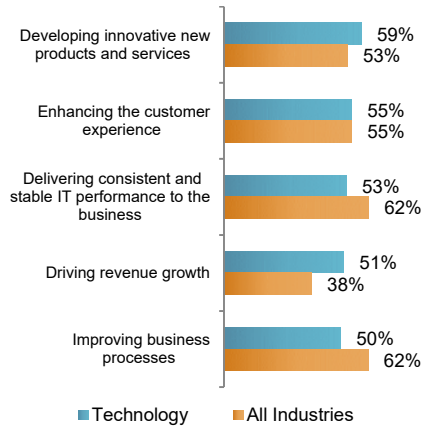
Budget/Priorities

Looking forward, over the next 12 months, how do you expect your IT budget will change?



Technology companies are **more optimistic about their IT budgets for next year** than companies in other industries, with 53% expecting an increase, compared to an all-industries average of 48%, and fewer expecting a decrease.

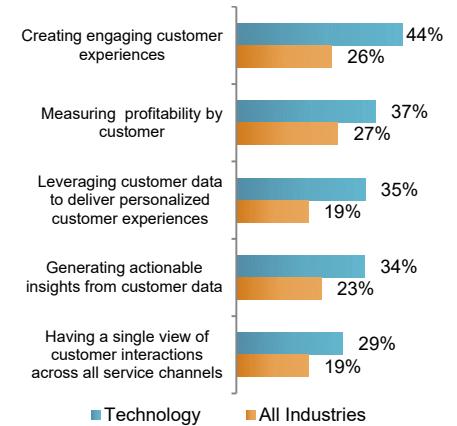
What are the key business issues that your management Board are looking for IT to address? (top 5)



Technology management Boards **more heavily emphasize IT driving revenue growth** (51% vs. 38% for all industries). Boards also put less emphasis on IT to improve business processes than in other industries.

Customer Capabilities

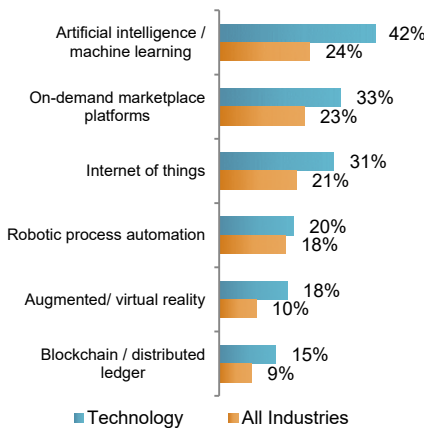
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Technology companies **outpace cross-industry effectiveness benchmarks in five critical customer-focused capabilities**, especially in creating engaging customer experiences (44% vs. 26% for all industries).

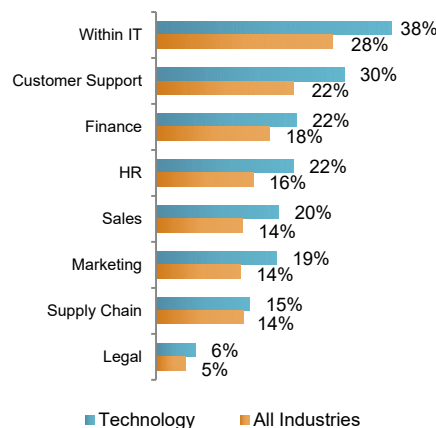
Technology & Innovation

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



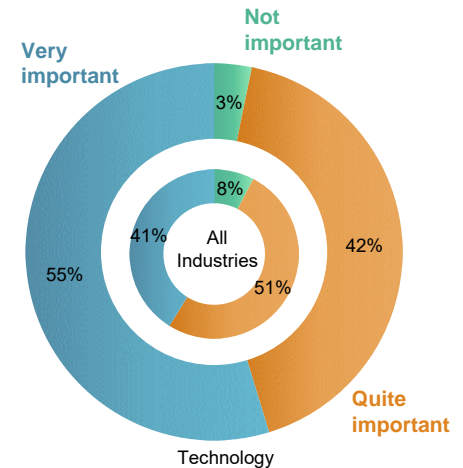
Among next-generation technologies, Technology companies are **most likely to have invested in A.I./machine learning** (42% vs. 24% for all industries) **and on-demand marketplace platforms** (33% vs. 23%).

In which functions have you implemented digital labor/automation?



Technology companies have **implemented digital labor/automation much more frequently than others** across all functions.

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



Technology companies **view having an innovative, experimental culture paramount to the success** of their digital strategies more so than other industries.

Conclusion

IT leaders in the technology sector are spearheading innovation in digital technologies ahead of their peers. They are outpacing other industries with their investment in artificial intelligence, on-demand platforms, the Internet of Things, and augmented/virtual reality. IT leaders in tech are focused squarely on **growth**, as opposed to improving business processes and operational efficiencies that take priority in other industries. The focus on growth demands a **culture that fosters innovation, retains talent, and operates in a fail-fast mindset**. It is also crucial to adopt new technologies in other domains like Supply Chain, Finance, and HR to realize the full value of these disruptive technologies. And it is paramount for IT leaders **to shift from a positional authority role to one of influential authority** to ensure a cutting edge IT culture and environment.

Further information

Jeoung Oh
Principal, Technology
KPMG in the U.S.
T: +1 925 683 4558
E: jeoungoh@kpmg.com

www.kpmg.com/ciosurvey