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HARVEY NASH / KPMG CIO SURVEY 2019

A changing perspective

If there's one message to take from this year's CIO outlook, it's that every company should now think of digital as one of its core strategic capacities.

Almost half of the Belgian organizations surveyed are already undergoing some kind of major digital change that will fundamentally impact how they do business. This reflects a broader global shift, recognizing the increasing importance of digital transformation as key to securing future revenue and sustainable growth.

In terms of attracting and retaining customers, how your organization manages data privacy and trust is quickly becoming as important as your product/service offering. Well-developed cybersecurity and responsible data management are key here, but more than that, the whole customer journey is now being influenced by the digital experience. How well digital is embedded into your overall business strategy will increasingly determine your ability to swiftly respond to your customers' needs, wants and concerns. Those who aren't already taking this into account - or planning to do so - will soon find themselves left bypassed by more agile organizations.

And it's not just customers that view digital agility and integration as key to their decision-making when assessing which companies to engage with. Competition for talent with strong digital skills is also fierce, with shortages of skilled workers not only in Belgium – where three-quarters of CIOs surveyed reported struggling to find and hire the right talent – but across Europe as a whole. This skills gap is most keenly felt in enterprise architecture, big data/ analytics, business analysis, cyber security and AI.

Despite the complexity of these challenges, CIOs are recognizing that there are also exciting opportunities offered by digital transformation. More than two-thirds of Belgian CIOs see the role of CIO/ Technology Director as increasing in strategic importance, and reporting budget increases that reflect this shift.

In the following pages, we invite you to discover more about these and other markers of change highlighted by this year's CIO Survey, part of the world's largest survey on technology leadership. Whether you are a CIO, CTO, CDO or any other executive who cares about business technology, this report shines a bright light on the key issues that affect all of us in the Belgian technology sector.



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5 THINGS TO DO WITH THIS REPORT



Benchmark your technology investment

Read what is driving investment on page 6. Visit hnkpmgciосurvey.com/charts for tech investment per sector.



Hear from your peers

Read how other technology leaders across the world view the results, and the challenges they face. Page 14.



Compare your sector

Read our sector / location league tables on page 28.



Learn what makes you great

Read our 6 attributes of a successful technology leader. Page 22.



Benchmark your salary

Are you getting paid too little (or a little too much!)? Visit hnkpmgciосurvey.com/charts.

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About the survey



\$1/4 trillion
combined IT budget*



3 million
data points**



3,645
respondents



108
countries



21
years of data

*Combined IT budget of this year's respondents

**From 21 years

CIO Survey 2019 – 8 things you need to know

A time of massive change

Forty-six per cent of Belgian organizations expect to change their product/service offering or business model in a fundamental way in the next three years. This is driven by digital disruption and the need to get closer to the consumer, and it's occurring just as much with smaller, younger organizations as with larger, older ones. A sizeable proportion are handling transformation within existing budgets without extra investment. As the average life expectancy of a company decreases, transformation is becoming business as usual as enterprises look to stay ahead of the game.

Biggest budget increases for 15 years

This year we have seen the largest proportion of Belgian organizations increase their investment in technology in all the years we have been tracking it. Even with enterprises where the emphasis is on efficiency and saving money, investment in technology is increasing. Whatever the problem, technology seems to be part of the answer. The driving force behind much of this investment is cyber security, data analytics, AI / automation, and transformation.

Technology doesn't stop evolving

Belgian organizations are continuing to invest in new and emerging technology. At the far end of the "emerging" spectrum, 15 per cent are making bets on quantum computing. Much closer to home, cloud computing has become prevalent, with almost three-quarters of organizations investing in this area and more than half adopting it on a wide scale. At least one-fifth of organizations have at least a small-scale implementation of internet of things, on-demand platforms, robotic process automation and artificial intelligence.

Up to one in five jobs will go to robots

Typically, respondents believe around 10 per cent of their company's workforce will be replaced within five years by AI / automation, but for a third of respondents that figure goes up to 20 per cent. Those organizations not investing in AI and automation can expect, over time, for their cost base to be relatively higher than their AI-investing competitors. Over three-quarter of CIO Survey respondents in Belgium believe that new jobs will appear to compensate. AI will allow employees to engage in richer interactions with others and perform work that requires more brainpower. The world is not short of problems to solve.

Relentless rise of cyber-crime levels out?

We've been tracking for many years how cyber-crime has been growing, and confidence in dealing with the threat declining. This year we see for the first time the incidences level out, and confidence growing. The trend is very subtle and runs counter to other studies. However, the CIO Survey's breadth and size hints this is more than a "quirk" in the data and suggests the major investment we've been tracking in cyber might be working. At last?

The rise of business-managed IT

Almost two-thirds of Belgian organizations allow business-managed IT investment, and approximately less than one in ten (4%) actively encourage it. Business-managed IT requires a new relationship between business and IT, and those that get it right are much more likely to be significantly better than competitors in a whole host of factors, from customer experience to time to market. But getting it wrong opens up a back door to problems – organization where the CIO is not directly involved in business-managed IT investment are twice as likely to have multiple security areas exposed.

A new model of digital leadership

Belgium's CIOs, almost 26 per cent of organizations which are "very or extremely effective at using digital technology to advance their business strategy", perform better than their peers on a whole host of factors. They distinguish themselves in many ways: the board and CEO prioritize value creation rather than efficiencies; the technology leader / CIO is more likely to sit on the executive team and be collaborative with the business; and there is a relentless focus on speed and agility.

Ready for disruption: the CIO

2019 has been a good year to be a technology leader. Job fulfilment is up (slightly), budgets have grown, salaries have been raised. But as technology is disrupting sectors, so too is it disrupting the role of the technology leader. Executive board membership, for instance, is down. And an explosion in new job titles and roles has occurred, from Chief Digital Officer to Chief Data Officer and beyond. Successful leaders are swapping control for influence, and stepping up how they partner with the business. For many organizations the concept of a "traditional" IT department is anathema to them.

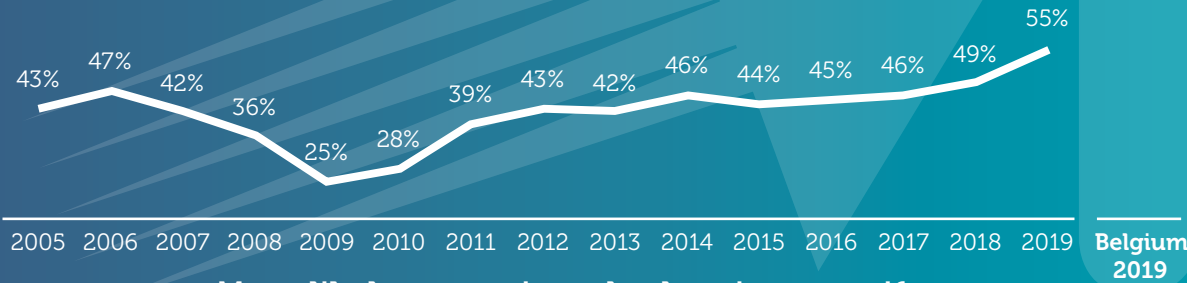
Download our extensive infographic of findings at: www.hnkpmgciosurvey.com



Findings

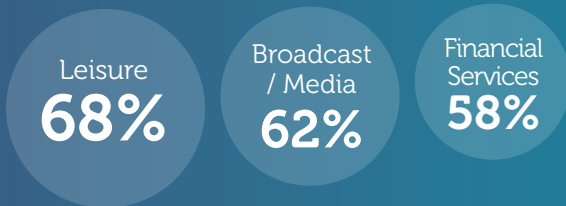
1. Board Priorities and Investment

More technology leaders are reporting budget increases than ever before*



More likely to receive a budget increase if...

You work in the following sectors:



You are a Digital Leader**:

63%

Your organization is 6-10 years old:

62%

You report to the CEO:

60%

What is driving budget increases?

Cyber Security



Up 14% as a board priority this year

Automation



Up 17% as a board priority this year

Transformation



44% of organizations expect major or radical change

You can download sector splits and other key charts by visiting www.hnkpmsgciosurvey.com/charts.

*Respondents reporting a technology budget increase in the last 12 months.

**For the purposes of this research we use the term "Digital Leader" for those organizations that are "very or extremely effective at using digital technologies to advance their business strategy".

Investment in technology is growing

If there is a sense of nervousness in the world economy, it won't be found in technology investment. Over the past year more technology leaders reported budget increases than at any time in the last 15 years. And the jump in those reporting increases (from 49 per cent to 55 per cent at global level) is the largest we've seen, with the one exception of 2010, when organizations were still clawing their way out of the global recession. Even in Europe, where there is ongoing political and economic disruption, 74 per cent of CIOs reported a budget.

This optimism also extends to the future: 64 per cent of technology leaders are expecting a budget increase next year, and 60 per cent are expecting to grow their headcount.

74% of Belgian digital leaders report they have seen more budget increases, in the last 12 months, than ever before.

Technology for all weathers

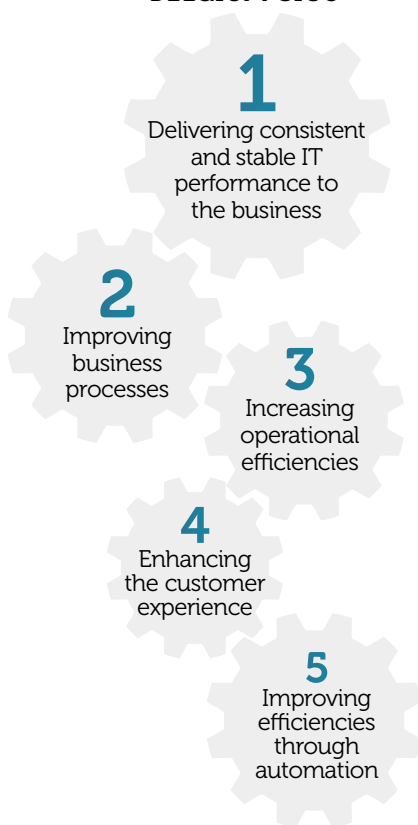
We asked Belgian respondents a binary question – which type of technology project does your CEO prefer: one that makes money or one that saves money? Even with "save money" organizations, almost half (48 per cent) had budget increases, suggesting that many CIOs are investing to save, for instance through automation. It seems that whatever the problem, the answer seems to involve technology, and even in uncertain times technology leaders still have the opportunity to be bold and drive significant business change.

Making money was a priority for 52 per cent of the CEOs of the respondents to the Belgian CIO Survey. They want their technology projects to "make" rather than "save" money (48%).

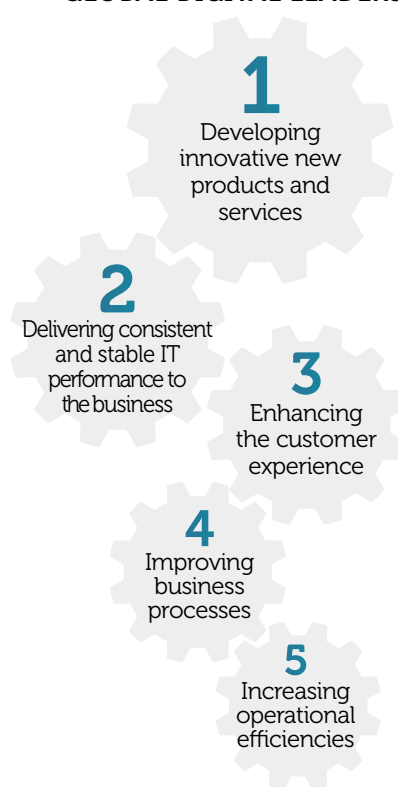
The drivers of growth: transformation, automation, security

TOP 5 BOARD PRIORITIES

BELGIUM CIOs



GLOBAL DIGITAL LEADERS



For Global Digital Leaders, the three in ten organizations that are “very or extremely effective at using digital technologies to advance their business strategy”, the priority is “developing innovative new products and services”. Global Digital Leaders distinguish themselves as being more outward-looking, using technology as a means of breaking into new markets, engaging with customers and gaining market share. They also tend to have different operating models that focus on the business owning and leading aspects of technology delivery in collaboration with IT. We look in more detail at digital in the next section, as well as in the section “Driving Business Performance through Technology”.

Delivering stable and consistent IT is the most recognized priority for the Belgian CIOs, and notably it is still a major priority for Digital Leaders. In previous years, other factors such as improving operational efficiencies or business processes have taken precedence, but as the IT estate becomes more complex, and enterprises become more reliant on technology, maintaining a “steady ship” becomes more important.

Technology stability tends to only be a talking point at board level when it is not stable, and most Belgian technology leaders would consider it one of their more

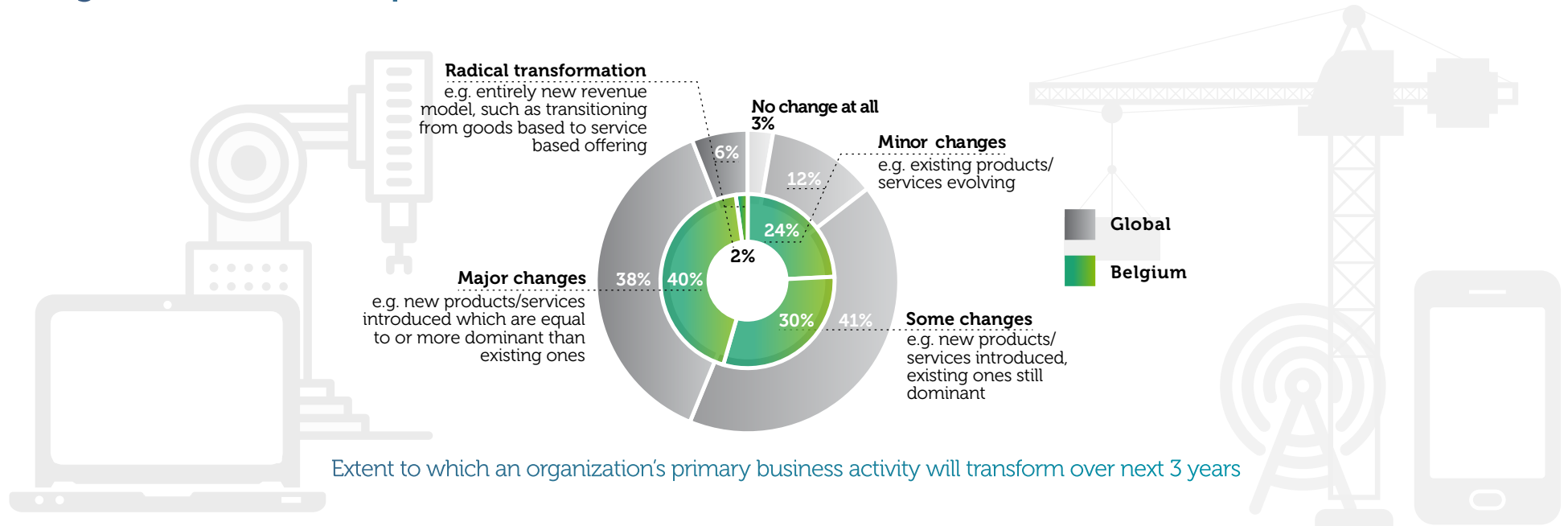
operational and, some might say, thankless tasks – separate from activities that make a strategic difference. Finding the balance is so important: no board will listen to a strategic visionary who can’t get the basics right, but basics alone won’t get you in front of the board.

Cyber security is no longer in top 5 in importance, with 46 per cent of respondents listing it as a board priority this year. As boards and CEOs place customer trust at the center of their strategy, protecting data and systems from cyber threats is paramount.

Perhaps most notably, an equally fast-growing priority for boards is improving efficiencies through automation: up to 54 per cent this year and therefore entering the top 5. We examine this in more detail later in this report.

Underpinning all of these priorities lies the power of data. Belgian Digital Leaders are more than twice as likely to maximize the value of the data they hold. They do this by hunting, harvesting and curating data that can be used to teach machine-learning models, advance AI adoption, and monetize new assets.

An age of innovation in products and services?



Our research reveals that almost half (46 per cent) of Belgian organizations are undergoing some kind of major digital change that will fundamentally impact their organization. This is either through introducing new products and services that will be equal to or more dominant than existing ones (43 per cent) or – more radically – fundamentally changing their business model, for instance, moving from selling products to selling services (2 per cent). A further 30 per cent of organizations will be introducing new products and services to supplement existing ones.

Our research paints a picture of great change, and this should be no surprise. It is well documented how the average life expectancy of organizations has more than halved in the past century, and enterprises are recognising that transformation, sometimes constant transformation, is the key to staying ahead of the game. As businesses

transform they need to develop better sensory and analytical functions to continually adapt to the changing needs of their employees and customers. With such an incredible proliferation of technology-enabled products and services, it is critical that every company become world-class at harvesting and drawing actionable insights from their data.

The organizations most affected by transformation are ones where their product is most easily digitized; more than half of technology leaders in the Telecommunications (57 per cent), Broadcast / Media (57 per cent) and Technology (56 per cent) sectors are reporting either “major” or “radical” transformation. But even in more traditional sectors, such as Manufacturing, there is a recognition that now is the time to drive a step change in their business performance through transformation of products and services.

Belgian CIOs transforming their products or services are more likely to have had a technology budget increase than their non-transforming peers, but the difference is not that great (58 per cent of organizations expecting major transformation versus 54 per cent on average). It suggests that, for many enterprises, transformation is being achieved by rearranging much of what they already have, without extra investment. Many are delivering operational efficiencies in one area, enabling them to deliver additional investment in growth areas, within the same budget.

Transformation appears to be occurring regardless of the size or age of organizations. Small, young enterprises are just as likely to be transforming as older, larger ones. However, those organizations that report having a shorter time to market for products than their competitors are more than twice as likely to be expecting radical transformation (6 per cent on average at global level and Belgium level).

APAC is a driver of growth

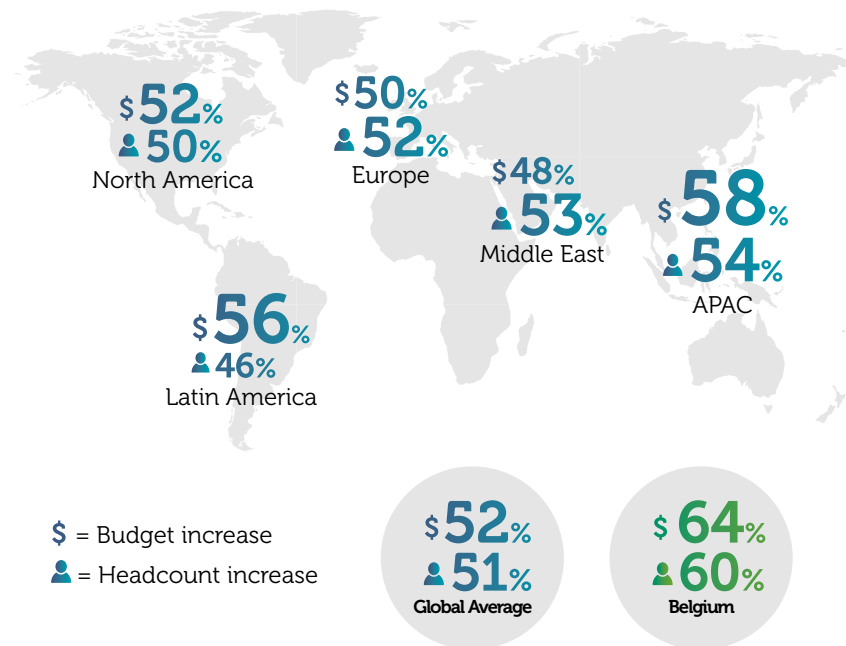
Looking forward a year, organizations in APAC are a significant contributor to the global growth in technology investment. Technology leaders in this region are 12 per cent more likely to be expecting budget increases and 6 per cent more likely to report headcount increases than their peers from other regions.

APAC budget growth is accompanied by organizations prioritizing revenue generation over cost saving. Fewer APAC respondents report saving costs as a priority for their boards (50 per cent compared with 54 per cent on average) and more prioritize driving revenue growth (45 per cent compared with 40 per cent on average). The APAC region is the fastest-growing regional economy in the world, and many organizations are capitalizing on this.

APAC technology leaders still have an eye on efficiencies, though, as more than four in ten (44 per cent) expect at least one-fifth of their workforce to be automated, compared with the 33 per cent global average. APAC is also a major centre for outsourcing, and as salaries grow, many organizations are looking to invest in keeping their competitive cost edge.

Belgian technology leaders expect headcount (64 per cent) and budget (60 per cent) increases within the next year.

Technology leaders expecting headcount and budget increases in next year

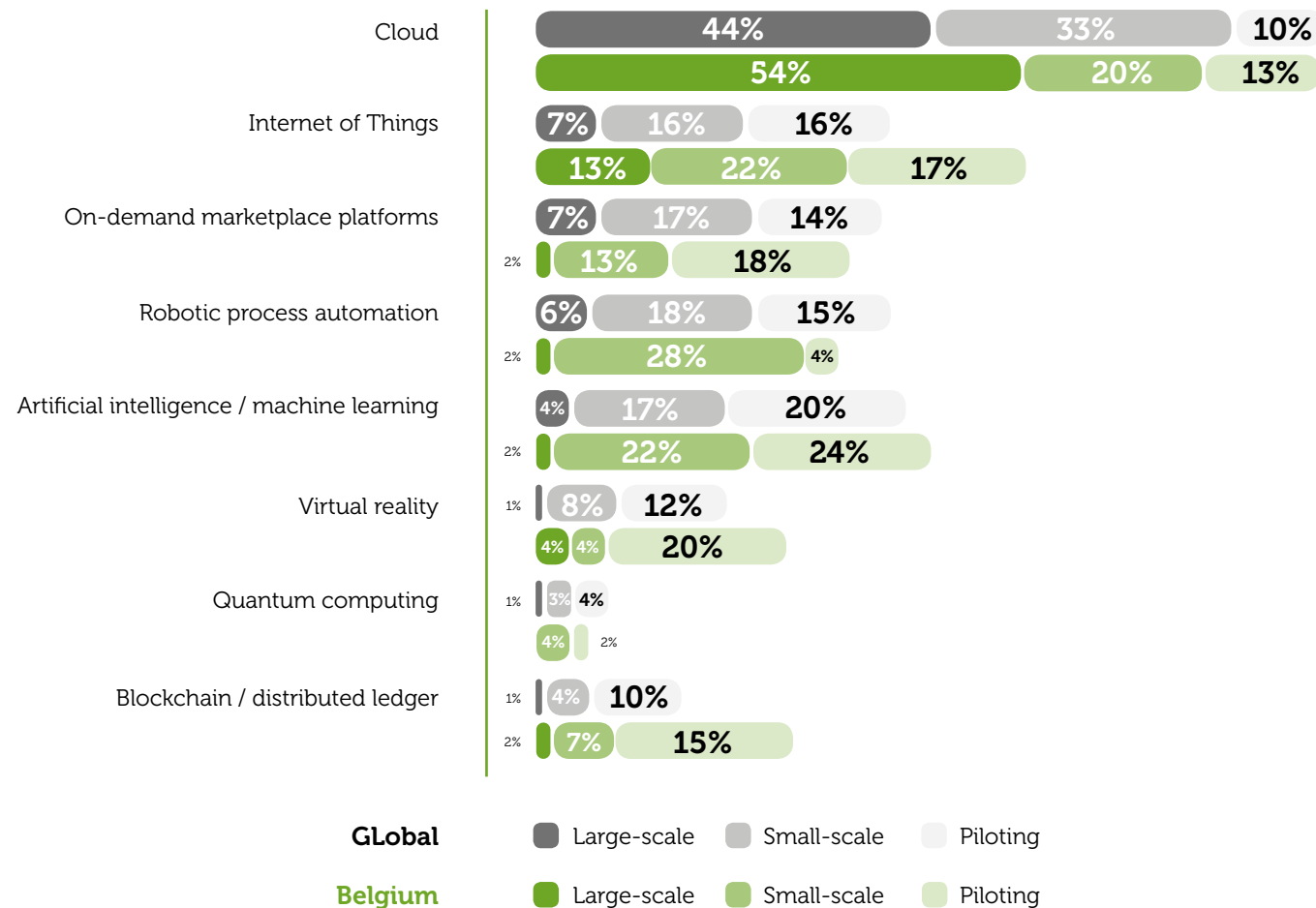


5 things to consider when budgeting for tech spend

- 1 Investments that can improve products and services, and ultimately revenue, attract the most investment. However, strong technology leaders also drive cost savings, often reinvesting savings in growth areas.
- 2 Boards and CEOs are prioritizing investments in cyber security, automation and product/service transformation. How does your enterprise compare?
- 3 Technology leaders who deploy a “think like a venture capitalist” investment approach will be able to drive dynamic and continuous funding of technology investments.
- 4 The “rented” charging model of cloud introduces more complexity when budgeting and valuing technology. Strong technology leaders will understand this, working closely with finance.
- 5 Be bold and seize the opportunity – our results suggest that organizations see technology investment as driving a step change in business performance.

2. Managing Technology

Extent of technology adoption in your organization



Emerging technologies

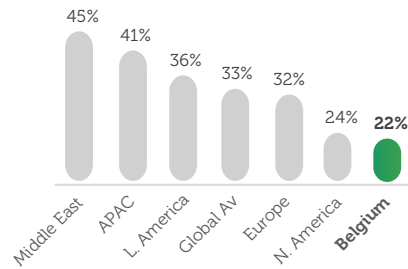
When it comes to investing in technologies, be they emerging or well-established, CIOs are not short of options. But with so many being positioned as the “next big thing”, it’s easy to see how making choices becomes difficult. Some organizations are driven by a desire to lead, others driven to be fast followers, and the rest – quite possibly – driven to madness. The CIO Survey asked respondents to quantify their adoption in different areas, and the results make for fascinating reading.

The latest waves of technology investment include: the internet of things, on-demand platforms, robotic process automation, and artificial intelligence (AI) / machine learning (ML). At least one-fifth of Belgian organizations have at least a small-scale implementation of these technologies. Over time we can expect these to grow and we expect much of this to be driven by business-led investment.

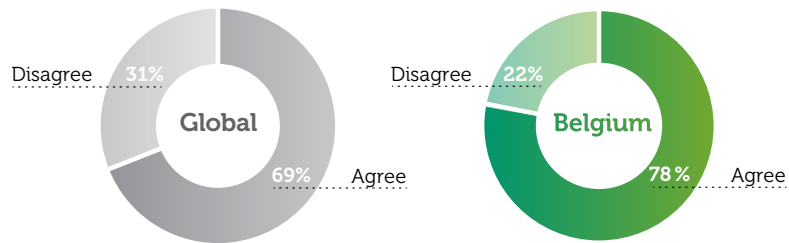
It is interesting to see that 2 per cent of organizations have implemented quantum computing to at least some degree. This technology is so early stage that some commentators don’t even believe it will have a commercial application, so this figure feels surprisingly high. That said, we are seeing technology companies race to release the potential of quantum in industries like pharmaceuticals, financial services and energy.

Quantum computing uses the unique (and what Albert Einstein considered “spooky”) ability of sub-atomic particles to be in two states at once. By using these particles as computing “bits” (or “qubits”), computer instructions can occur concurrently, more quickly and using less energy. It’s early days, but if quantum computing does become more widely proven and available it may change the shape of computing forever, including rendering current cryptography techniques redundant.

You can download sector splits and other key charts by visiting www.hnkpmgciosurvey.com/charts.



Organizations that expect at least one-fifth of roles will be replaced by AI/automation within 5 years



Agree or disagree: New job roles will compensate for those lost through AI/automation

The rise of AI and automation

While there have been many reports predicting the long-term impact of AI and automation on the workforce, there are few that have asked the very technology leaders who are putting these systems in place. This year's CIO Survey shines a light on this increasingly important area.

Typically, respondents believe around 10 per cent of their workforce will be replaced within five years, but for a third of respondents that figure goes up to 20 per cent. Either way these figures are significant. Those organizations not investing in AI and automation can expect, over time, for their cost base to be relatively higher than their AI-investing competitors. For those organizations that are investing, there is a need to realize the investment by freeing up their human resources for other, higher-level roles. There is also another challenge: even for those jobs not replaced by AI, the roles may change because up to one in five of their co-workers will be software.

It will require an organization to focus on how to shape and integrate a collaborative future workforce that combines human and digital labour.

While much has been made of how AI will replace humans, the majority of CIO Survey Belgian respondents (78 per cent) believe that new jobs will appear to compensate. AI will allow employees to engage in richer interactions with others and perform work that requires more brainpower. The world is not short of problems to solve.

Looking forward, we can only expect more. While AI right now is in the domain of high investment and highly skilled people, those barriers are quickly lowering, and cloud-based AI will quickly take it further still. In a relatively new and rapidly changing field, cloud-based AI providers have accrued broad and valuable experience. Most of these providers are also selling the building blocks of those services, allowing customized hybrid solutions to be delivered faster than starting from scratch.

Almost complete cloud cover

It is probably now a misnomer to consider cloud as an "emerging" technology, but it is easy to forget that as recently as five years ago many organizations were sceptical about its value and concerned about security implications. This year's CIO Survey reveals that the scope of cloud, and its range of application areas, continues to grow, and there is no indication that it will stop. Eighty-five per cent of organizations feel more confident about their use of cloud technologies than at any point in the last three years.

There is very little difference in cyber attacks between Belgian organizations with large-scale cloud implementations (30 per cent reported an attack in the last two years) compared with the global average (32 per cent); indeed "cloud" organizations actually feel better protected against future attack. Cloud is not perfect – moving technology expenditure from capital to operational expenditure is both a technical feat, and a financial one – but many technology leaders are making a success of it.

“Business-managed IT” takes the limelight from “shadow IT”

Over the years, the CIO Survey has been tracking the inexorable rise of technology expenditure controlled outside the IT department. The proliferation of easy-to-use, and easy-to-establish, cloud-based services has taken the running of an IT system within easy reach of any technology-savvy business leader (or indeed unsavvy one). Business leaders have become increasingly prescriptive about what they want their technology to do. Perhaps frustrated by what they perceive as an unresponsive IT team, they have taken matters into their own hands. This apparent eroding of power and influence was not something IT traditionally supported. The dark name given to this phenomenon – “shadow IT” – says it all. But things are changing. More than half of Belgian organization (57 per cent) at least allow it, while only four per cent actively encourage it. Younger, perhaps more digitally native, organizations are almost twice as likely to encourage business-managed IT as the global average.

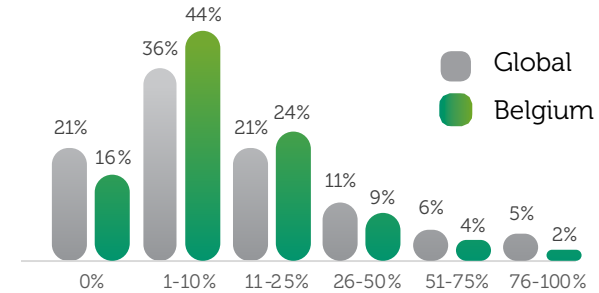
For many Belgian organizations there has been a radical rethink in their approach, increasingly seeing it as a useful tool for empowering the business, removing bureaucracy and getting closer to the customer. The supporting evidence is quite clear – organizations that actively encourage business-managed IT are much more likely to be significantly better than competitors in a whole host of factors, including customer experience and time to

market for new products (29 per cent more likely), and employee experience (41 per cent more likely).

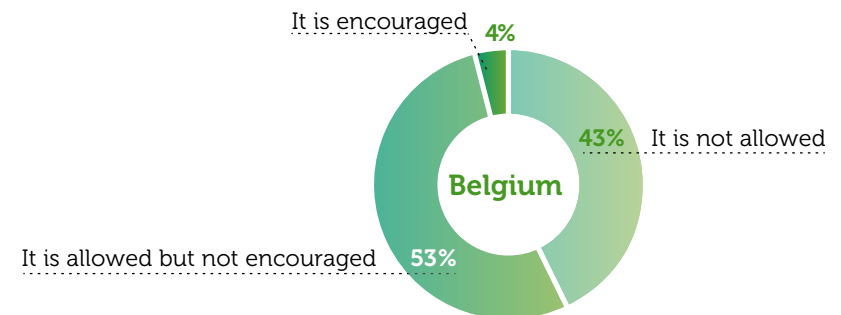
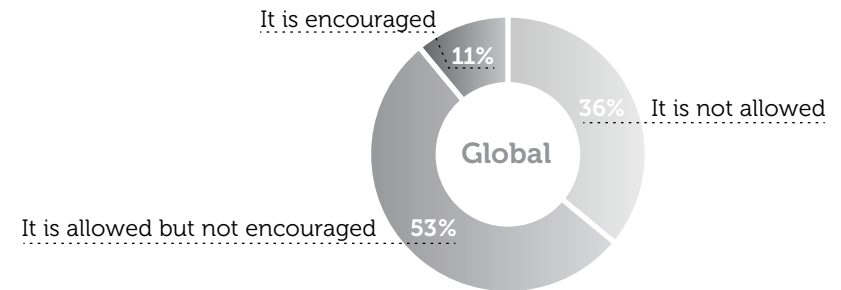
However, half of the companies are not formally involving IT in those business-managed IT decisions. These organizations are twice as likely to have multiple security areas exposed than those who consult IT, 25 per cent less likely to be “very or extremely effective” at building customer trust with technology and 30 per cent more likely to have been targeted by a major cyber-attack in the last two years. Those organizations that do formally involve IT are similar to the global average on all these factors.

Whilst our research suggests business-managed IT spend is levelling out this year, we believe it’s actually increasing. What we are probably seeing here is a redefinition of what “spend outside IT” means. Technology leaders are increasingly collaborating with their business peers and, despite the budget sitting outside IT, they don’t consider it an “outside” project.

Business-managed IT isn’t going away. Even for those organizations that completely disallow it, 57 per cent report it still exists. It requires the business and technology team to collaborate and, at least for the technology leader, it needs a supportive CEO who understands that budget and influence are increasingly two different things.



Proportion of tech spend managed outside the IT department



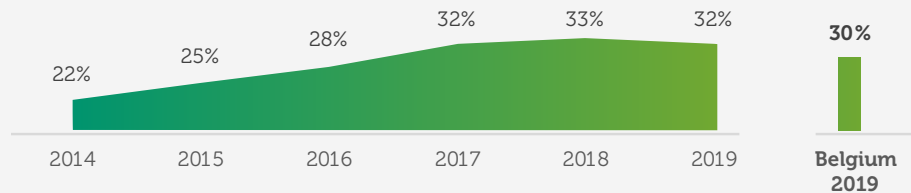
Approach to business-managed technology spend

Organizations are gaining control of cyber risk

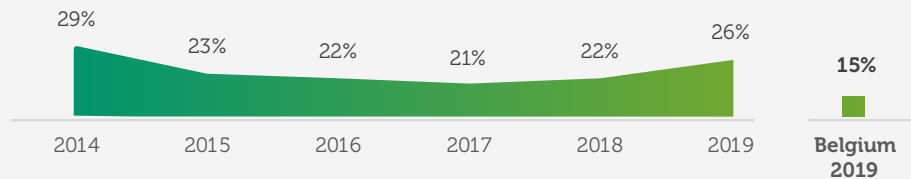
We have already illustrated the phenomenal rise of cyber security up the boardroom agenda, but has this increasing focus had an impact? Our research suggests that major cyber attacks are flattening out year on year and technology leaders feel better able to deal with cyber onslaughts than before. This stands out from other research in this area that suggests cyber crime actually continues to grow, so we'll need more years of data to pick out an overall trend.

What we do know, however, is that the prevalence of cyber crime remains high, whether officially reported or not. Larger organizations particularly have more complex IT estates and have more points at which they can be penetrated.

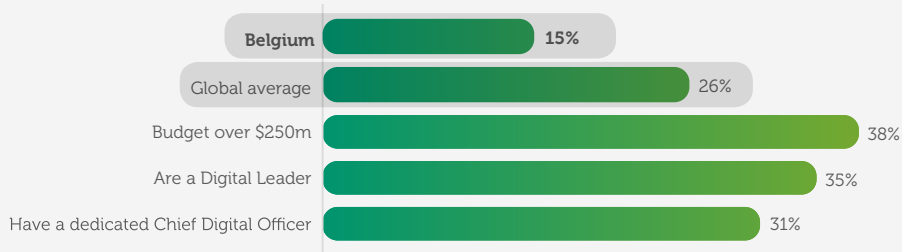
Our research shows that technology leaders feel the impact of data security on their ability to innovate; a whopping 84 per cent feel that it limits it to some extent and 15 per cent feel that burden significantly.



Organizations experiencing major cyber attacks in the last 2 years



IT leaders feeling "very well" prepared for attacks

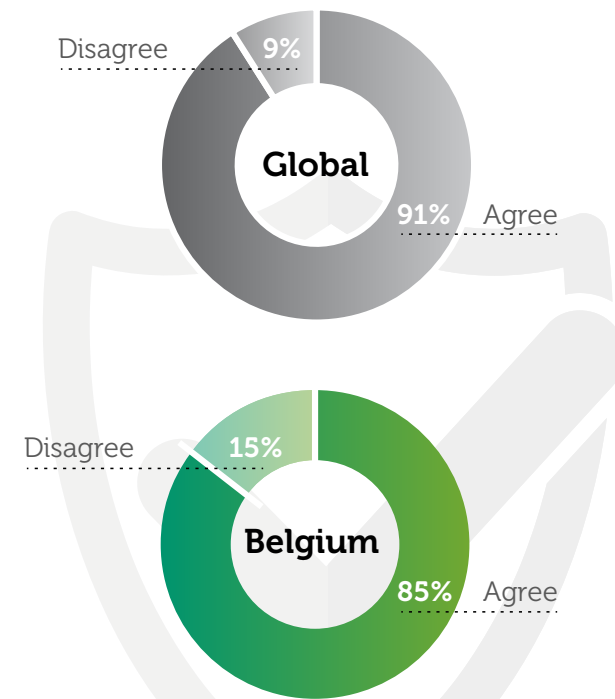


Technology leaders that are "very well" prepared for cyber attacks

It's all about privacy and trust

Separate from but connected to cyber security, we also looked in more detail at customer trust in data. Almost all Belgian technology leaders (85 per cent) agree that data privacy and trust will be as important as their product/service offering in customer attraction. Marketers often talk about the four Ps that drive customer purchases: product, price, promotion and place; does this add one further P to the mix – privacy?

In an increasingly complex world of data and security, technology leaders need to consider how to place trust and security at the heart of their development and design. For many, factoring this in may actually help progress innovation and improve speed to market. Technology leaders tell us that involving cyber and data specialists early enough helps create "trust by design" and saves the costs associated with retrofitting these factors at a later stage.



Agree or disagree: Data privacy and trust will be as important as product/service offering in customer attraction.

Technology Leader Viewpoints



Pascal Allouard
AXA - European External
Action Service (EEAS)

One of the most critical challenges of IT today is the protection of the data. Cyber security is becoming key to be able to deliver IT services. Big corporations and increasingly small companies are under attack and the consequences may be dramatic in some cases. However, the maturity of the field is not currently very high due to limited investments in the past. Leaders need to better understand the importance of the threat and focus on it. I strongly believe that this is an area where we will see more spending in the future and IT professionals need to develop their cyber security skills in order to stay relevant in the coming years.



Bjorn Van Reet
Chief Information Officer
Kinopolis

Customers' expectations are higher than ever. People want the ability to access anything from anywhere, quickly, and without any thresholds. But customers also have higher expectations of security: they're more aware of how data are processed and what risks a digital environment may entail. Cyber security is a silent presupposition, an unwritten law that technology leaders should be paying more attention to in order to improve the customer experience.

At Kinopolis, we rely on the flexibility and scalability of the public cloud to answer customers' contemporary needs - a fast, smooth, and secure buying experience. For us, the importance of this goes even further, as a positive purchasing process will enhance the overall customers' movie experience. Allowing them to buy their movie tickets in a user-friendly and secure environment is a necessity we can't overlook in the customer journey. It's what shapes their impression right from the start.



Cris Gheti
VP Transformation,
Coca-Cola European
Partners

Capturing the potential of digital depends on cultivating talent – both within technology functions and the business. This research shows the value of innovative, forward-looking work to inspire this capability shift. But this doesn't just happen in isolation in the IT department – close convergence with the business is needed to exploit the potential of digital. This results in quicker delivery of products which are closer to the customer need. The more transformative the programme, the more important this becomes.

Technology Leader Viewpoints



Alex Janssens
Mazda Motor Europe - CIO

I am happy to read that the Harvey Nash/KPMG report confirms with representative data all trends and evolutions we see in the automotive industry. No discussion, a constant stable IT performance for the business is a given expectation, preferably at lower cost as the report shows. But even more, the immense opportunity for IT is shifting to the front line of business, creating new digital value added products and experiences. Crafting a technology capability that improves the customer experience gives IT a key role in realizing a strong and integrated operating model with technology as key driver. An absolute necessity for IT to stand out in this digital era. As KPMG states in the report, success comes from connecting on line with off line, front office, middle and back office. Ingenious engineering and design are the foundation of not only our Mazda cars but also for all our digital solutions.



Dr Ralf Schneider
Group CIO, Allianz SE

To drive transformation in today's hypercomplex environment, trust and security become more important than ever. Leaders need to develop and apply capabilities far beyond analytical thinking: intuition, mindfulness and cybernetic action.



Susan Doniz
Group Chief Information Officer, Qantas Airways Limited

I am really excited to see that this survey is showing with data that every company is now a technology company and it's not just hype through increased investments in technology. CEOs, executive teams and boards are confident that the approach and investments are driving real top and bottom line benefit – the shifting nature of technology investments and ROI is no longer a question – companies are doubling down on these investments as a fundamental strategic choice for the sustainability of their futures.

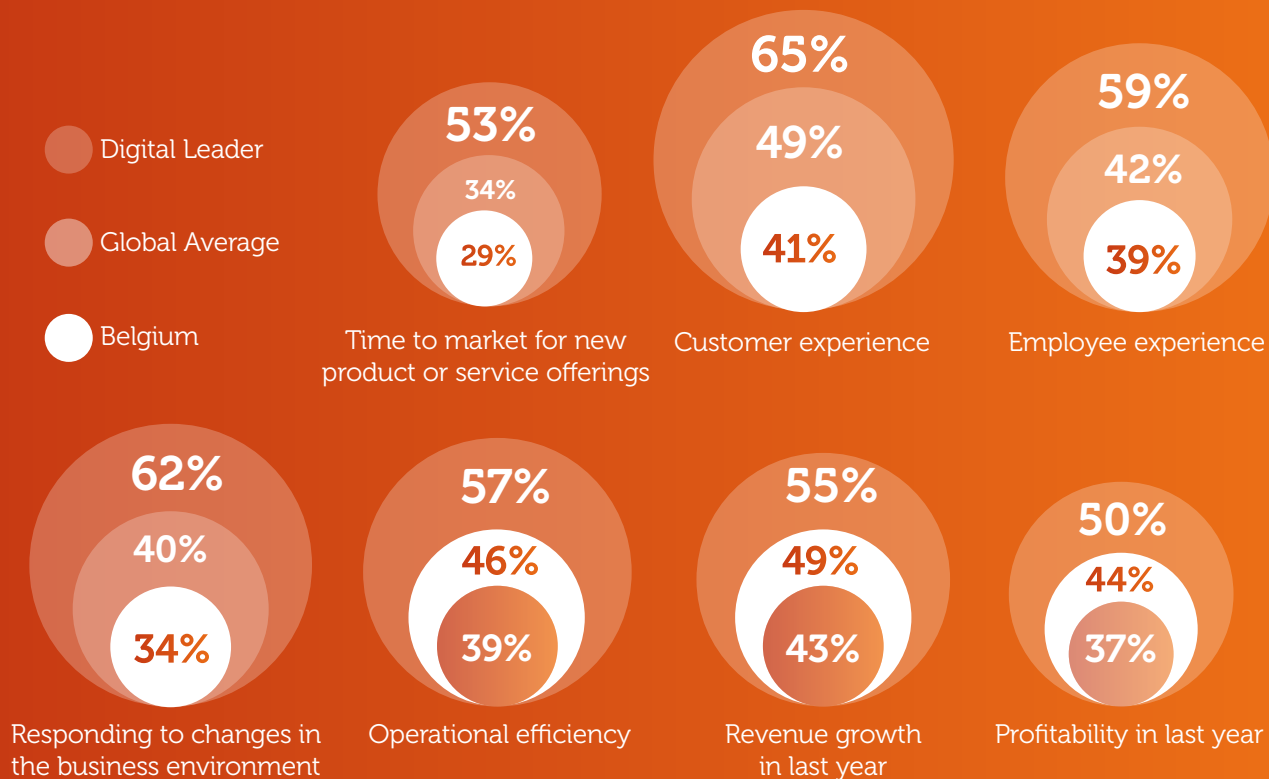


Kristof Dujardin
Attentia - CIO

As digital leaders, we need to realize that each day we are moving into a new pace of change. With the current acceleration, we will never again see a pace of change as slow as the one we are facing today, as we know tomorrow will only be faster. This provides immense opportunities for us to impact our businesses using exponential technologies to shift the focus to emphatic execution instead of isolated administration. The other side of the medal however shows that we need to become change masters, guiding our organizations through waves of intense transformation, whilst being able to guarantee security and data confidentiality. This duality makes this a very exciting and challenging time to lead in a digital world.

3. Driving Business Performance through Technology

Better or significantly better than their competitors



Organizations are complex; and, for many, new technology investments often take a very long, bumpy journey before they even have a chance of having a measurable impact on business performance.

And yet some organizations are making a success of it. As you can see from the chart, Digital Leaders – the 26 per cent of Belgian organizations that are “very or extremely effective at using digital technology to advance their business strategy” – are significantly more likely to be better than their competitors on a whole host of business performance factors, including time to market, customer experience and – most importantly, and CEO-pleasing – profit growth.

But what are the “levers”, the special factors, that make Digital Leaders stand out from the crowd?

Here we look at some of the organizational and cultural factors that drive Digital Leadership. This is then picked up in more detail in KPMG’s special report on page 24, which using this research, as well as other insights, looks in more detail at how this translates into technology strategy.

You can download sector splits and other key charts by visiting www.hnkpmgciosurvey.com/charts.

Digital Leadership starts from the top

The board prioritizes value creation

Outward looking

The No.1 issue a Digital Leader's board wants IT to address is "new products and services", compared with "IT consistency and stability" for the rest.

Making money is the priority

A majority (52%) of Belgium's CIOs want their technology projects to "make" rather than "save" money, compared with 76% at global level.

Technology leader profile is high

Report to CEO

70 % of Belgian Digital leaders believe that the role of CIO/IT Director is becoming more strategic in their organization.

Sit on the executive team

50% of Belgian CIOs describe the influence of the IT department on business decisions as significant and part of the formal sign-off process.

External factors make technology important

Expecting transformation

43% of Belgium's Digital Leaders are more likely to introducing "major new changes to products and services" in the next 3 years (39% at global level).

Technology touches every part of an organization and the priorities list of a technology leader is as long as it is varied. But what distinguishes Digital Leaders, our research tells us, is their strong cultural focus on creating visible value for their organization, strongly supported by the board. Outward-facing initiatives such as new products and services, customer engagement and entering new markets are favored over inward-facing operational IT.

Digital Leadership doesn't just spontaneously burst into existence; many factors need to align, and it starts from the very top. The CIO Survey shows that Digital Leader organizations are much more likely to have the technology leader as a member of the top team, where they can influence and be influenced by their executive peers. It also helps that Digital Leaders are more likely to think their sector is undergoing transformation, and as a result investing in new products, services or business models. This belief gives important momentum, and – some may say – also a little positive paranoia to driving change.

Technology leaders working for Digital Leader companies enjoy board access and influence, and a willingness to invest in outward-facing projects. There is a "chicken and egg" question – is the technology leader influential in these enterprises because the board supports them, or does the board support them because they are influential in their own right? The truth is, it's probably a mixture of both.



Digital Leaders view technology delivery differently

Partner with the business



Collaborate

Digital Leaders are more likely to ensure that business leaders **work collaboratively** to deliver technology change
(Belgium: 31% - Global: 29%).

Give up control of budgets

They are more likely to **promote business-managed IT**
(Belgium: 4% - Global: 11%).

They are more likely to have **significant influence in sign-off of business-managed IT**
(Belgium: 50% - Global: 57%).

Need speed



Fail fast

Digital Leaders are more likely to ensure that **experiments are scaled up quickly if successful or stopped**
(Belgium: 19% - Global: 22%).

Speed up projects

They use methodologies that **speed up project delivery like agile and DevOps** enterprise-wide
(Belgium: 22% - Global: 25%).

Have an "expansive" mindset



Think product, not project

Digital Leaders bring a **long-term "product" rather than short-term "project"** mindset to technology implementation
(Belgium: 23% - Global: 27%).

See the whole organization as their team

They use **cross-functional teams** (IT and business staff)
(Belgium: 31% - Global: 33%).

Fanatical about data



Maximize value

Digital Leaders are more likely to **maximize the value** of the data they hold
(Belgium: 13% - Global: 17%).

Think strategically

They are more likely to maintain an **enterprise-wide data management strategy**
(Belgium: 19% - Global: 18%).

***"very" or "extremely" effective*

The success of Digital Leaders has not come through "pedalling harder" in their traditional IT function; in fact, for many organizations the concept of a traditional IT department is anathema to them.

Digital Leaders are swapping control for influence and investing time in business relationships. They are three times more likely to collaborate strongly with business leaders, and three times more likely to be investing time in upskilling non-IT people in IT skills; they see their "technology team" as broader than the people they directly manage.

Digital Leaders view IT success through the lens of business performance, often tied to measures like customer or employee

experience, lifetime value, loyalty, uptake, and time to market. Data are at the heart of their organization; they are significantly more likely than their peers to maximize the value of their data, and have an enterprise-wide data strategy in place.

The CIO Survey suggests that Digital Leaders are more likely to be working with the business managing their own IT spend. That said, it is still currently a relatively small proportion in absolute terms (16 per cent) although we can expect this to grow over time; as we covered earlier, organizations that actively encourage business-managed IT perform better on a whole host of factors.

Digital Leaders' attitude to agility is also different – projects move quickly and fail fast. They are almost 50 per cent more

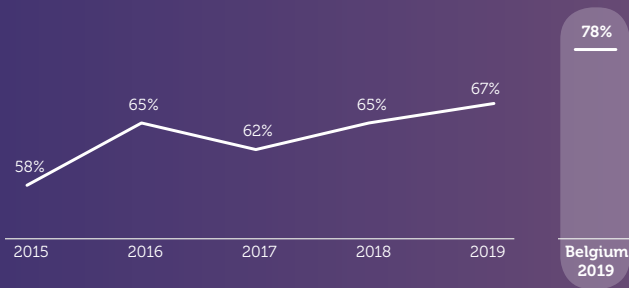
likely to be scaling up or stopping experiments when they reach their conclusion and more than three times as likely to be employing methodologies that speed up project delivery. The Digital Leaders we speak to often depict "failure" as a success – a very different attitude to large-scale project failures reported in the past.

Belgian Digital Leaders are expansive in their mindset. They see the whole enterprise as their remit, and, working collaboratively, their resource. They view their value through the lens of the overall product or service that the enterprise provides, and see projects merely as a stepping stone to strong value creation.

For further analysis around Digital Leadership, see KPMG's special report on page 24.

4. Resourcing the Technology Team

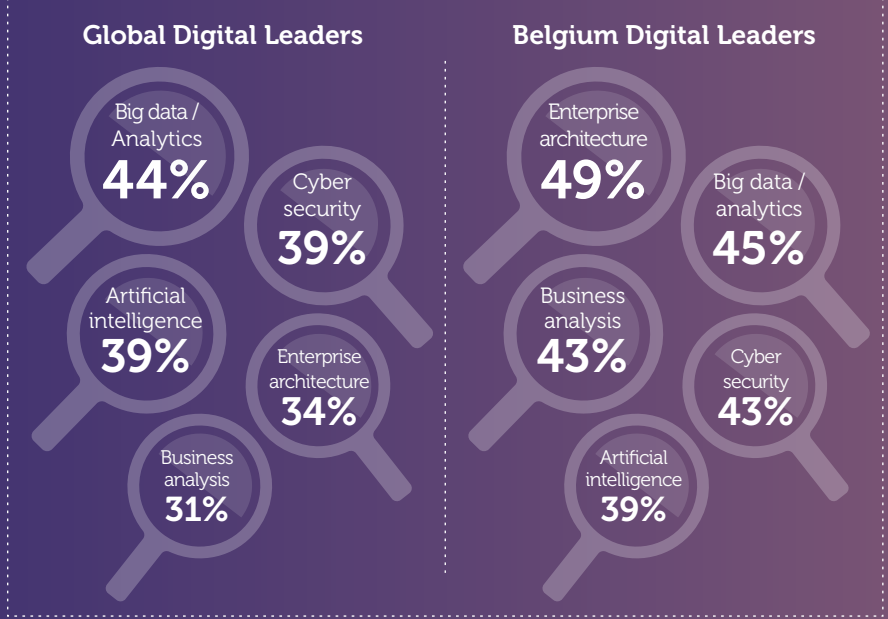
All-time high for skills shortages*



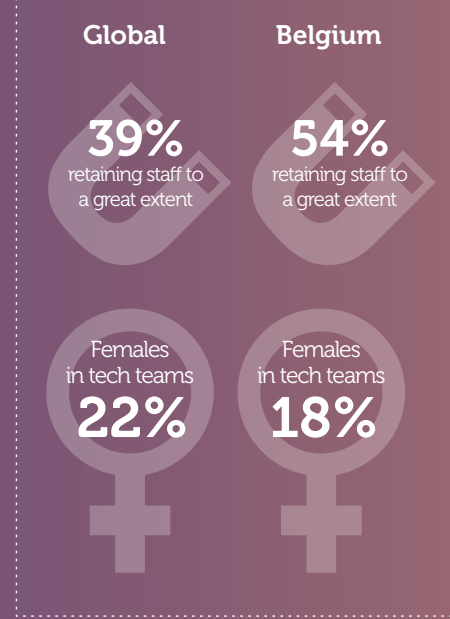
Organizations facing a critical* skills shortage



Top 5 most scarce skills



Gender & retention



This year's research shows that skills shortages are at an all-time high since 2008 and that these shortages can't fail to act as a bottleneck to growth. Earlier we reported on how data analytics, cyber security, AI and transformation are driving technology investment; here we see how that demand is affecting the employment market. Skills in these areas are becoming scarce.

The CIO Survey suggests that the skills shortage is a tale of two types of organization. Younger and smaller organizations are less likely to have a skills shortage, older and larger ones more likely. Larger organizations, ones with budgets over \$250m, also appear to be the least able to retain their staff for the duration that they would like: only 26 per cent retain key staff within their technology talent compared with 44 per cent of smaller organizations with budgets of under \$50m. This poses a particular problem when large organizations are most likely to benefit from transformation and do not have the skills to support their plans.

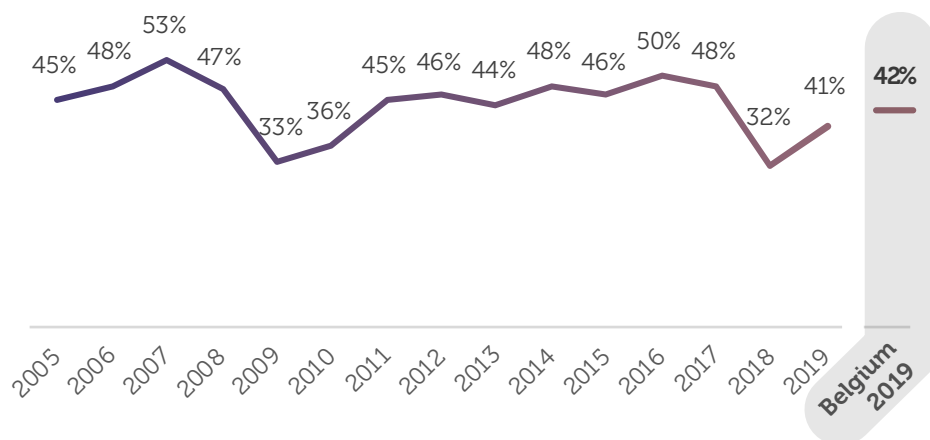
78 per cent of Belgian organizations are facing a critical skills shortage.

Our research tells us that technology professionals value innovative projects and learning new skills above anything else (including salary and job security), and smaller organizations seem to offer this better. This is despite larger, more established enterprises often having the advantage of a well-known brand and international career opportunities. As the average life span of an organization declines as markets rapidly evolve, the advantage of heritage and scale for large organizations appears to be declining.

You can download sector splits and other key charts by visiting www.hnkpmgciossurvey.com/charts.

*Organizations where a skills shortage is preventing keeping up with the pace of change

Outsourcing is having a bumpy ride



Organizations expecting to increase outsourcing spend in the next year

Last year saw the biggest decline in outsourcing intent that we have seen in the CIO Survey; this year the intent jumps up, but still leaves us with an overall downward long-term trend. When organizations are deciding what intellectual property they wish to retain, what to develop and what to automate, there is no doubt outsourcing has a major role to play in the resourcing mix of technology teams. However, its role is changing. Outsourcing strategies are being blended with wider sourcing strategies including the use of the gig economy and near sourcing. The single biggest reason technology leaders outsource is to “provide access to skills not available in-house” (58 per cent selected this, compared with 48 per cent who used it to “save money”).

Little progress in the participation of women

Only ten per cent of Belgian respondents feel very successful with the promotion of diversity and inclusion within their teams. However, there has been only minimal growth in the percentage of women on the tech team - 18 per cent this year. If initiatives aren't working for gender diversity, why do the majority of respondents (69 per cent) still feel at least moderately successful about this?

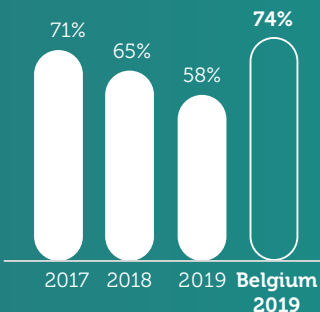
The issue is, of course, one of both demand and supply. Part of the challenge is that women are not entering careers in technology or taking related qualifications in the quantities that will make a difference. It is a paradox: few careers offer as much scope for creativity, financial reward and the ability to really change the world. Clearly the message is not getting out.

One might expect younger organizations to be more broad-minded and creative about diversity, but the responses show that they are no more satisfied than others with their diversity initiatives. Organizations with budgets over \$250m report slightly better than average success. Almost twice as many young organizations compared with the global average (16 per cent) have no female members on their tech teams. If start-ups are getting it wrong from the beginning, what hope is there for the future?

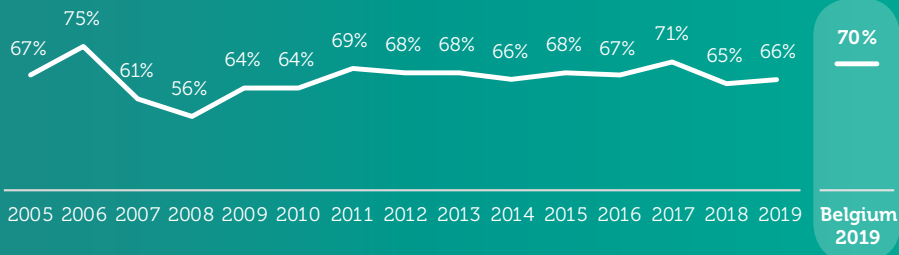
One thing is for certain – more needs to be done in this area.

5. Being a Technology Leader

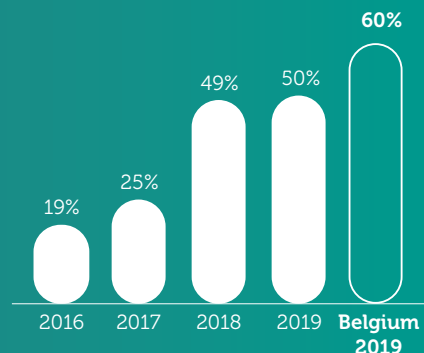
Executive team membership for technology leaders



Respondents indicating the CIO role gaining influence



Organizations with a Chief Digital Officer or someone working in that capacity



You can download sector splits and other key charts by visiting www.hnkpmgciosurvey.com/charts.

Influence, not status

There are few senior roles within organizations today where the direction of travel is as uncharted as that of the CIO. While most executive roles will have different challenges now than ten years ago, it is the role of the technology leader that appears to be uniquely disrupted. And like all disruption, it can have positive and negative results, sometimes at the same time.

It's no surprise then that this year's survey reveals a mixed message around the profile of the CIO. Last year we tracked how influence had dropped, and we asked: is this a blip or the beginning of a long-term trend? This year we see influence step up a little, but at the same time membership of the executive team has continued its marked decline since 2017. Many technology leaders are very relaxed about whether they sit on the board. What they care more about is having the appropriate access and influence, and a supportive CEO to help them see their vision through.

CDO appointments flatten out

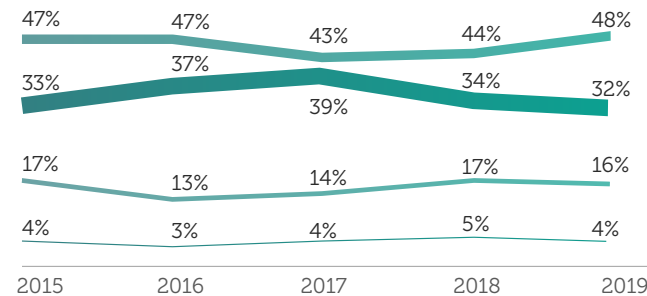
In many ways the fortune of the Chief Digital Officer (CDO) role has been entangled with the fortune of the CIO. For some organizations the CDO role was created to fulfil a need that was not being met by the executive team, and in particular the CIO. In 2015, an incredible one in ten organizations appointed a CDO; we have never seen a new job role adopted more quickly than this. However, we are now seeing CDO role adoption level out. This is certainly not through dissatisfaction with the role. Organizations with dedicated CDOs are more likely to be Digital Leaders than organizations that do not have CDOs (11 per cent). But what we are seeing are more CIOs taking responsibility for the CDO remit. This combined role doesn't tend to be exactly the same as a "pure" CDO, but organizations are adopting whichever approach works for them: appointing a CDO where they need new external skills, or integrating it into an existing role where it's appropriate. CIOs who are also CDOs tend to be different from their CIO peers – for instance, they are more encouraging of business-managed IT and more likely to be on the executive team.

6 attributes of successful technology leaders

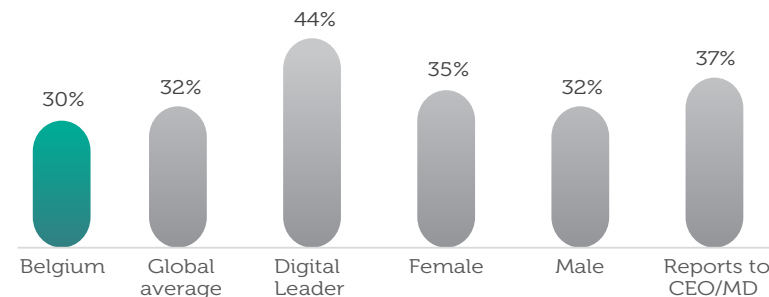
- 1 Value creation:** they are fanatical about creating technology that makes a measurable difference to the bottom line.
- 2 Influence:** the real measure of their importance is influence, not budget or team size. They are comfortable with budgets being owned elsewhere and are able to exert just enough control to make projects a success.
- 3 Collaboration:** often seen as “servant-leaders”, their value is derived from the trust and partnership they have with the business.
- 4 Technology expertise:** they understand that their USP is their deep understanding of the possibilities of technology, and work hard to keep abreast of technology developments both internally and externally.
- 5 Uncertainty (dealing with it):** they are happy to start on journeys where the end point is not 100% certain. They can live with change and they embrace ambiguity.
- 6 Cultivate culture:** they create a culture that empowers teams, encourages experimentation, incentivises collaboration, and measures performance of the team against business outcomes, not IT metrics.



Salary changes for technology leaders



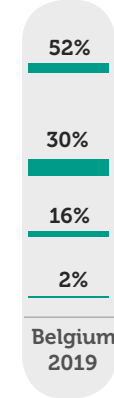
Level of job fulfilment for technology leaders



Technology leaders who feel “very fulfilled” in their role



Salaries and bonuses continue to rise



Alongside investment in technology, Belgian organizations are also investing in their leaders, with almost half (40 per cent) having had a salary increase. Just under half (46 per cent) of technology leaders are getting bonuses of 10 per cent or more and 4 per cent are more than doubling their salaries with this incentive. Fewer technology leaders are feeling unfulfilled in their roles compared with last year but their enthusiasm has only increased to a sense of feeling “quite” fulfilled. Overall the absolute level of job satisfaction is very high and, coupled with increased salaries and bonuses, there has never been a better time to be a technology leader.

www.hnkpmgciosurvey.com

The online home of the Harvey Nash / KPMG CIO Survey

Events

Find out about our launch events across the world

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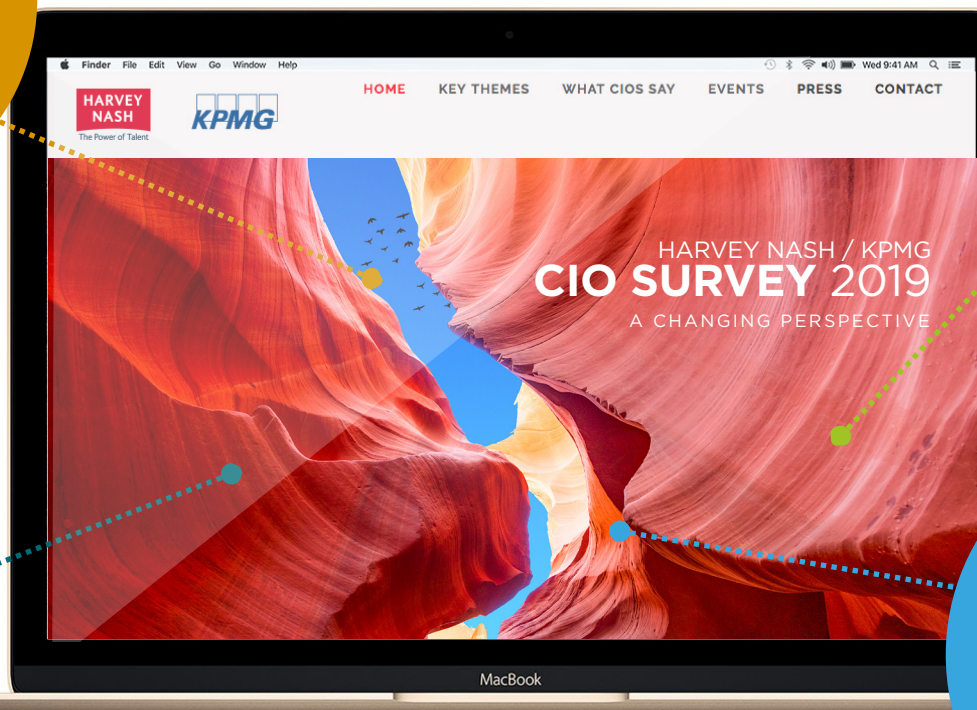
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Play with interactive charts

CIO viewpoints

Read the opinions of CIOs across the world



KPMG Special Report

Becoming a future-ready Digital Leader

In the digital age, all organizations are striving to harness IT to transform the business and drive better performance.

But there is no doubt that some are faring better than others. The Digital Leaders identified in this year's report are putting clear water between themselves and their competitors. On average, their time to market is better, their customer experience is superior and their operational efficiency is higher. As a result, both revenue growth and profitability are higher too.

But what are Digital Leaders doing differently and what might lie behind their success? In KPMG's view, it begins with a fully integrated front, middle and back office, creating what KPMG calls the "Connected Enterprise" – all laser-focused on the customer.

Steve Bates, Global Lead, CIO Advisory Centre of Excellence at KPMG, says: "There are eight key capabilities that Connected Enterprises focus on and that make them twice as likely to be successful in meeting customer expectations, delivering ROI and achieving their business objectives."¹

Today, there is no longer business strategy and technology strategy. There is just

strategy, and technology is driving it. The opportunity for IT is to enable the Connected Enterprise and drive the benefits.

It is encouraging that investment in IT is as high as it's ever been, with more technology leaders (74 per cent) reporting budget increases than at any time over the last 15 years. Unsurprisingly, this was especially the case for Digital Leaders (63 per cent). This is a clear sign that leadership in businesses across sectors recognise IT's pivotal role, not just in keeping the business functioning, but in enabling business change. Moreover, business-managed IT – where technology is managed by business departments themselves – is growing, especially among Digital Leaders.

"The companies that are winning in the market are not asking IT to keep the lights on," Steve Bates comments. "The importance of technology in driving growth and reducing risk is fully recognised in the boardroom. But technology also needs to be in the hands of the people that create value so the growth of business-managed IT is an important development – although clearly there needs to be a strong governance system to ensure that activity remains coordinated and controlled."

Eight capabilities of the KPMG Connected Enterprise



¹ Research commissioned by KPMG International, 2016 & 2018

But simply investing more in IT is not enough on its own. Along with it, a significant shift is needed in the way the IT function operates in and with the business. KPMG's "Future of IT" series identifies six key elements that the IT function must get right to deliver business value, and in this year's survey we see Digital Leaders outpacing their rivals in these important areas:

1. Market speed operating model – realigning capabilities, people, architectures and ways of working to enable the delivery of new products and services across a broad spectrum of speeds and scale.

From the survey: Digital Leaders are more effective in implementing new technologies end-to-end across functions and geographies and changing ways of working to maximize the value from technology. They use cross-functional teams (IT and business staff) and ensure business leaders work collaboratively to deliver technology change.

2. Dynamic investment – deploying a "think like a VC" portfolio investment approach and leveraging lean financial processes to drive dynamic and continuous funding of technology and investments.

From the survey: Digital Leaders are more effective in reporting business outcome-based metrics for

technology projects, and scaling up projects quickly if successful or stopping quickly if not.

3. Modern delivery – integrating business, engineering, testing and operations into full-stack teams, automating large portions of the value chain.

From the survey: Digital Leaders are better at integrating core business systems with newer digital solutions and bring a long-term product rather than a short-term project mindset to technology implementation. They employ automation in software development and maintenance and use methodologies such as agile and DevOps to speed up project delivery.

4. Flexible IT workforce – developing a 360 degree view of the IT workforce, including business, technical and virtual skills, to create a flexible ecosystem of talent.

From the survey: Digital Leaders are better at ensuring that non-IT staff have the right technology skills, and at using both internal and external resources to access the right skills.

5. Data as an asset – evolving foundational data assets to fuel demand for actionable customer insights, transparency to risk and opportunity, and operational efficiency.

From the survey: Digital Leaders are more effective at maximizing value from the data they hold and maintaining an enterprise-wide data management strategy.

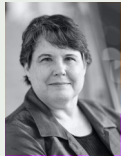
6. Customer trust – instilling technical trust throughout the organization, delivering intrinsically safe products and services, to influence perceived trust for customer value.

From the survey: Digital Leaders are better at identifying and managing the key security and privacy issues across technology development and operations, and in building customer trust through the service delivered to customers and end users.

"Digital solutions are the oxygen that allow a business to breathe and run at market speed. This year's survey provides compelling evidence of the transformational progress Digital Leaders are making. It is up to the rest to catch up and join them," Steve Bates says.

For more insights around KPMG's vision of the "Future of IT", visit home.kpmg/be/future-it.

Achieving top performance in the digital era requires table stakes and a clear transformation choice



Stephanie L. Woerner
Research Scientist, MIT Sloan
School of Management's
Center for Information
Systems Research



Peter Weill
Chairman and Senior Research
Scientist, MIT Sloan School
of Management's Center for
Information Systems Research



Over 3,645 respondents to the Harvey Nash / KPMG CIO Survey provided additional information, including company name, to take part in further analysis by Massachusetts Institute of Technology Center for Information Systems Research. MIT CISR is one of the world's leading IT research organizations.

Every firm needs to take advantage of digital technologies to achieve superior performance. To understand how to outperform we looked at the company capabilities that contributed to performance, both self-reported revenue growth and profit margin relative to competitors. Working with Harvey Nash, we analysed data from over 3,600 companies, and we found some important – and unexpected – results. All the results described below are statistically significant.

All companies with superior performance had six foundational capabilities – we call these table stakes.

With those table stakes in place, companies could then choose one of two transformation paths. One path to top performance, what we call “industrialization”, involves steady incremental change over time, evolving existing products and services and gradually introducing new products and services. The other path to top performance is “radical transformation”, which

involves moving to new “digitally enabled” products and services and experimenting with new revenue models. Intriguingly, and somewhat controversially given the recent focus on digital transformation, both approaches produce similar performance results, with the radical approach having a 5 per cent higher performance.

Transformation like we documented at BBVA, DBS, KPN and Schneider Electric is designed to be disruptive – radically changing the ways of working and the use of technology to achieve superior results – as described in our recent book, *What's Your Digital Business Model?* These companies typically significantly change the decision rights and radically reorganise to get different outcomes.

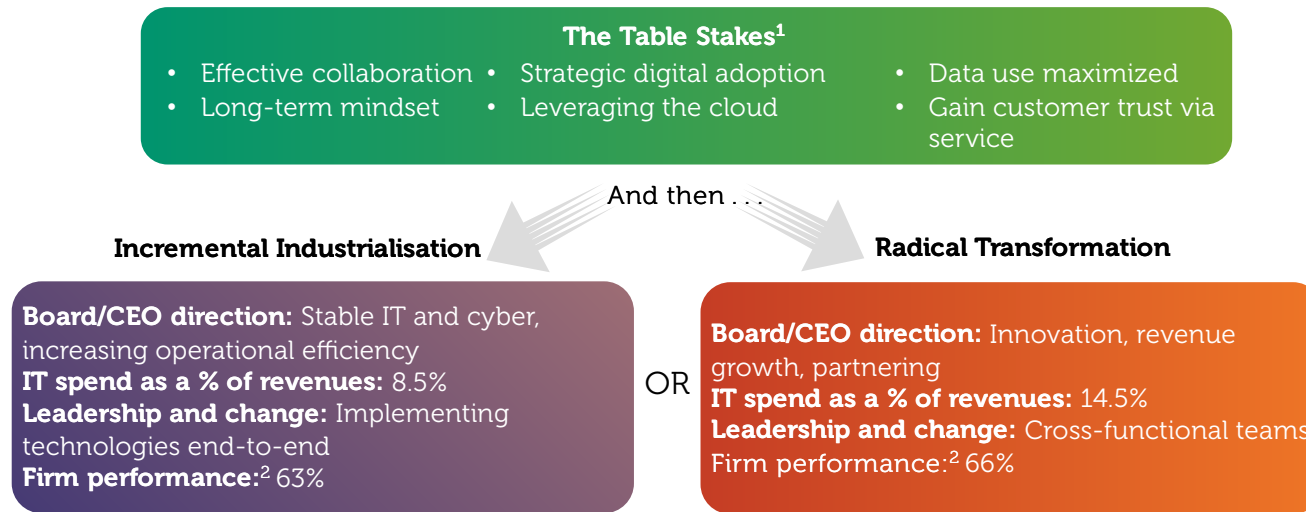
The companies that follow more of an industrialization approach like Tetra Pak, UPS and Oerlikon focus on significantly improving in smaller increments every day over many years.

Table stakes

Top performers had stronger capabilities in six foundational capabilities needed for success in the digital economy. These table stakes are:

- Collaboration that delivers business change
 - Long-term mindset to technology implementation
 - Digital technology that advances business strategy
 - Effectively leveraging cloud technologies
 - Maximizing data use throughout the enterprise
 - Customer trust built through superior service.
- Just becoming strong in these foundational capabilities will involve some sweeping culture changes (helping people collaborate more effectively, make evidence-based decisions and develop a customer service passion) and fostering an understanding of how technologies like cloud can help your company.

Top performers develop table stakes and choose a path



Source: Harvey Nash/KPMG CIO Survey 2019 (N=3,645)

¹ Significant in a regression at the p<.06 level, DV is a combination of revenue growth and profitability compared to industry.

² Performance is a combination of profitability and revenue growth compared to industry

Industrialization versus transformation

Building upon the table stakes, top-performing companies choose between the more incremental industrialization or a more radical transformation. The driver of the choice was what the board and CEO expect. With industrialization, it's stable and steady performance, continuous improvement, and careful management of cyber threats and other down-side risks. Radical transformation results from expectations by the board and CEO of faster revenue growth, more value-generating innovation and changing business models, all enabled in part with stronger partnering – perhaps driven by a stronger perceived threat or opportunity from digitization.

And the pathways to success are very different, particularly around technology spending and the major change mechanism. The firms on the radical transformation pathway invested heavily in technology as a mechanism for change, spending 70 per cent more on technology than industrializing companies as a percentage of revenue. The major change mechanism

top performers used was cross-functional teams, adopting agile or similar approaches. Companies on this pathway must make it easy for people to find each other and collaborate, and to support that behaviour through tools, coaching and communication by leaders. And the leadership is different too. The CIO is more strategic (more revenue-focused than order-taking) and is part of the executive committee. Prioritization is also different, with the CEO prioritizing projects that grow revenue rather than cut cost.

Top-performing companies following industrialization spend much less on technology, with a mindset of automation rather than new customer offerings. The key change mechanism was incrementally standardizing and automating processes across the company, reducing cost and risk. Integrated silos, reusable modular components and consolidated data that can be extracted for decision-making are the results. Change management involves identifying the one best way to do something and then governing to move everyone towards leveraging that one best way.

Enterprises have a choice about industrialization versus transformation, and it comes down to competitive positioning, strategic goals and appetite for risk. Top-performing companies undertaking transformation had 5 per cent better financial performance (revenue growth and profitability) and had better time-to-market, customer experience and business agility. But beware, both pathways have significant risk of poor performance. Transformation and industrialization companies had a 54 per cent and 60 per cent, respectively, chance of lower performance than peers right now. Whichever path you follow requires commitment and perseverance.

As you think about achieving above-industry average performance, we have two questions for you. 1) Are you very effective at the six table stakes? And 2) Which path are you on – incremental industrialization or radical transformation? Your job as a leader is to make sure you pick the right path and the path is well understood and consistently followed across the company. The worst case is not making a decision, flip-flopping from one path to the other, and never making much progress.

By country

Top IT priority for the board

Country	
Australia	Enhancing the customer experience
Belgium	Delivering consistent and stable IT performance to the business
Brazil	Improving business processes
Canada	Improving cyber security
China*	Developing innovative new products and services / Improving business processes / Enhancing the customer experience
Finland	Increasing operational efficiencies
France	Delivering consistent and stable IT performance to the business
Germany	Delivering consistent and stable IT performance to the business
India	Improving business processes
Italy	Saving costs
Japan	Improving cyber security
Mexico	Enhancing the customer experience
Netherlands	Delivering consistent and stable IT performance to the business
New Zealand	Delivering consistent and stable IT performance to the business / Enhancing the customer experience
Norway	Delivering consistent and stable IT performance to the business
Panama	Developing innovative new products and services / Improving business processes / Enhancing the customer experience
Poland	Delivering consistent and stable IT performance to the business
Republic of Ireland	Delivering consistent and stable IT performance to the business
Sweden	Delivering consistent and stable IT performance to the business
Switzerland	Delivering consistent and stable IT performance to the business
Turkey	Delivering consistent and stable IT performance to the business
United Arab Emirates	Increasing operational efficiencies
United Kingdom	Delivering consistent and stable IT performance to the business
United States	Improving business processes
Vietnam	Improving business processes
Global average	Delivering consistent and stable IT performance to the business

10%+ tech budget controlled outside IT

Country	
Republic of Ireland	65%
India	62%
Germany	56%
Switzerland	55%
Vietnam	54%
Japan	50%
New Zealand	50%
Sweden	50%
China*	49%
France	47%
Poland	47%
Australia	46%
Italy	46%
Canada	44%
Netherlands	44%
Norway	44%
Global average	43%
United Arab Emirates	41%
Belgium	40%
United Kingdom	40%
United States	38%
Finland	36%
Turkey	36%
Mexico	35%
Brazil	30%
Panama	24%

Increased IT budget in last year

Country	
Belgium	74%
Netherlands	69%
New Zealand	69%
Vietnam	68%
China*	68%
Panama	63%
France	61%
India	59%
Italy	59%
Canada	58%
Germany	58%
Norway	58%
Brazil	57%
Mexico	57%
Australia	56%
Japan	56%
United States	56%
United Arab Emirates	55%
Global average	55%
United Kingdom	54%
Sweden	52%
Poland	51%
Turkey	50%
Republic of Ireland	45%
Finland	43%
Switzerland	41%

China: * China mainland, Hong Kong (SAR) and Macau (SAR)

Transformation – radical or major change in next 3 yrs

Country	
Mexico	64%
Vietnam	62%
Panama	61%
France	59%
India	59%
Norway	51%
Sweden	51%
Germany	49%
United Arab Emirates	49%
China*	48%
Republic of Ireland	48%
Belgium	46%
Brazil	46%
Australia	44%
Switzerland	44%
Global average	44%
United Kingdom	43%
United States	43%
Netherlands	42%
Poland	42%
Italy	40%
Turkey	37%
Canada	32%
Finland	31%
Japan	23%
New Zealand	22%

Base salary increase in last year

Country	
Mexico	79%
India	63%
New Zealand	62%
Netherlands	59%
Sweden	59%
Poland	57%
China*	55%
Vietnam	53%
Norway	52%
United States	52%
Panama	50%
Australia	49%
Brazil	49%
France	48%
Global average	47%
United Kingdom	45%
Canada	44%
United Arab Emirates	44%
Republic of Ireland	43%
Belgium	39%
Turkey	36%
Germany	33%
Switzerland	32%
Japan	26%
Finland	25%
Italy	25%

10%+ of workforce automated in next 5 years

Country	
Japan	73%
India	65%
Vietnam	61%
United Arab Emirates	58%
Mexico	57%
Poland	57%
China*	55%
Netherlands	55%
Turkey	55%
France	53%
Sweden	50%
Brazil	49%
Norway	48%
Germany	47%
Australia	46%
Italy	46%
Global average	43%
Republic of Ireland	42%
Switzerland	41%
Belgium	40%
United Kingdom	37%
United States	36%
Finland	33%
Panama	32%
New Zealand	31%
Canada	28%

Time to market – better than competitors

Country	
India	48%
Switzerland	44%
Mexico	39%
Netherlands	39%
Republic of Ireland	37%
Australia	36%
France	36%
Turkey	36%
Vietnam	36%
United States	35%
Global average	34%
Norway	33%
China*	33%
United Arab Emirates	33%
United Kingdom	33%
Brazil	32%
Finland	32%
Italy	32%
Germany	31%
Poland	31%
Belgium	29%
Canada	27%
New Zealand	27%
Panama	26%
Sweden	26%
Japan	25%

Major cyber attack in last 2 years

Country	
Japan	56%
Mexico	50%
France	44%
Poland	43%
Germany	38%
Sweden	38%
Vietnam	38%
Finland	36%
Australia	34%
Switzerland	34%
China*	33%
New Zealand	33%
United Kingdom	32%
Global average	32%
Netherlands	31%
United States	31%
Belgium	30%
Italy	29%
India	28%
Panama	27%
Republic of Ireland	27%
Norway	26%
Turkey	26%
Brazil	25%
Canada	19%
United Arab Emirates	14%

China: * China mainland, Hong Kong (SAR) and Macau (SAR)

By sector

Top IT priority for the board

Sector	
Broadcast / Media	Delivering consistent and stable IT performance to the business
Business / Professional Services	Improving business processes
Charity / Non profit	Delivering consistent and stable IT performance to the business
Construction / Engineering	Improving business processes
Education	Enhancing the customer experience
Financial Services	Delivering consistent and stable IT performance to the business
Government	Delivering consistent and stable IT performance to the business / Increasing operational efficiencies
Healthcare	Delivering consistent and stable IT performance to the business
Leisure	Increasing operational efficiencies
Manufacturing / Automotive	Improving business processes
Oil & Gas	Increasing operational efficiencies
Pharmaceuticals	Improving business processes / Increasing operational efficiencies
Power & Utilities	Increasing operational efficiencies
Retail / Consumer Goods	Enhancing the customer experience
Technology	Enhancing the customer experience
Telecommunications	Enhancing the customer experience
Transport / Logistics	Delivering consistent and stable IT performance to the business
Global average	Delivering consistent and stable IT performance to the business

10%+ tech budget controlled outside IT

Sector	
Technology	53%
Telecommunications	51%
Broadcast / Media	50%
Education	50%
Oil & Gas	47%
Charity / Non profit	44%
Construction / Engineering	44%
Financial Services	44%
Global average	43%
Business / Professional Services	42%
Healthcare	41%
Pharmaceuticals	40%
Power & Utilities	39%
Government	38%
Transport / Logistics	38%
Retail / Consumer Goods	37%
Leisure	36%
Manufacturing / Automotive	36%

Increased IT budget in last year

Sector	
Leisure	68%
Broadcast / Media	62%
Transport / Logistics	59%
Financial Services	58%
Technology	56%
Global average	55%
Business / Professional Services	54%
Construction / Engineering	54%
Retail / Consumer Goods	54%
Charity / Non profit	52%
Healthcare	52%
Manufacturing / Automotive	52%
Pharmaceuticals	52%
Oil & Gas	51%
Education	47%
Government	47%
Telecommunications	47%
Power & Utilities	44%

Transformation – radical or major change in next 3 yrs

Sector	
Broadcast / Media	57%
Telecommunications	57%
Technology	56%
Pharmaceuticals	51%
Business / Professional Services	48%
Financial Services	47%
Leisure	46%
Retail / Consumer Goods	44%
Global average	44%
Transport / Logistics	43%
Oil & Gas	42%
Healthcare	40%
Power & Utilities	37%
Government	35%
Charity / Non profit	34%
Construction / Engineering	34%
Manufacturing / Automotive	31%
Education	26%

Base salary increase in last year

Sector	
Pharmaceuticals	60%
Telecommunications	60%
Broadcast / Media	53%
Business / Professional Services	52%
Power & Utilities	52%
Construction / Engineering	51%
Education	51%
Healthcare	50%
Transport / Logistics	50%
Retail / Consumer Goods	47%
Global average	47%
Leisure	46%
Manufacturing / Automotive	46%
Technology	46%
Financial Services	45%
Oil & Gas	45%
Charity / Non profit	38%
Government	35%

10%+ of workforce automated in next 5 years

Sector	
Oil & Gas	59%
Telecommunications	55%
Financial Services	53%
Broadcast / Media	48%
Transport / Logistics	45%
Technology	44%
Global average	43%
Retail / Consumer Goods	42%
Business / Professional Services	41%
Government	41%
Manufacturing / Automotive	41%
Power & Utilities	38%
Charity / Non profit	36%
Construction / Engineering	36%
Education	36%
Leisure	36%
Healthcare	31%
Pharmaceuticals	26%

Time to market – better than competitors

Sector	
Technology	43%
Leisure	39%
Manufacturing / Automotive	39%
Telecommunications	39%
Broadcast / Media	36%
Business / Professional Services	35%
Pharmaceuticals	34%
Global average	34%
Financial Services	32%
Oil & Gas	32%
Power & Utilities	32%
Retail / Consumer Goods	32%
Construction / Engineering	30%
Transport / Logistics	30%
Education	28%
Healthcare	27%
Charity / Non profit	24%
Government	22%

Major cyber attack in last 2 years

Sector	
Telecommunications	44%
Transport / Logistics	40%
Leisure	39%
Broadcast / Media	38%
Construction / Engineering	38%
Education	37%
Manufacturing / Automotive	35%
Pharmaceuticals	35%
Government	34%
Healthcare	33%
Retail / Consumer Goods	33%
Global average	32%
Oil & Gas	31%
Power & Utilities	31%
Financial Services	30%
Business / Professional Services	27%
Technology	26%
Charity / Non profit	21%

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