



KPMG tech report Saudi Arabia

Securing value by navigating
uncertainty with confidence

KPMG Professional Services
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Contents

03 Foreword

06 Section 1:
State of play

12 Section 2:
Trusted transformation

16 Section 3:
Digital ambitions

22 Section 4:
Momentum threats

26 Section 5:
Intentional digital transformation

29 Conclusion

32 Contacts



Foreword

Be determined, not deterred. Despite the headwinds of global economic uncertainty, digital transformation leaders that are committed to their innovation priorities continue to realize value at pace.

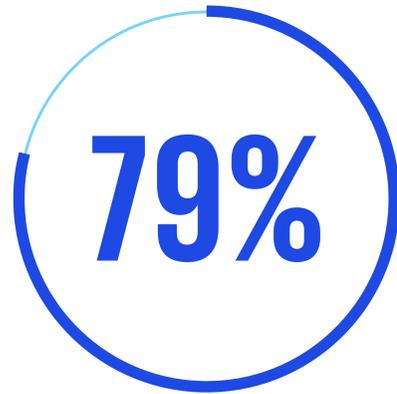
By aligning investment in technology with their strategic ambitions, these organizations are upholding momentum. When it comes to digital transformation, a hesitant mindset could prove costly, and not just because competitors will continue to invest, but new technologies can give businesses ways to deal with the difficult market.

The good news is that our research suggests that many businesses refuse to be blown off-track. In this year's edition of our Saudi Arabia tech report, technology professionals are resolute. Some leading organizations are already generating profit from their investments in emerging technologies — and are coping well with priorities such as the environmental, social and governance (ESG) agenda.





This is not to downplay the challenges. Notably, 79 percent of the surveyed technology leaders in Saudi Arabia say they are now expected to do more with smaller budgets than they were last year. But despite these pressures, 82 percent believe their current technology stack can power their organization’s growth.



of technology leaders say they are now expected to do more with smaller budgets than they were last year



believe their current technology stack can power their organization’s growth

Tech on track

In last year’s tech report, two-thirds of the respondents — similar figures for both the global survey and for those based in the Kingdom — said they were either very or extremely effective at using technology to advance their business strategies. Almost all said they had successfully used digital transformation to improve profitability or performance over the previous two years. Today, that track record is paying off as buy-in from senior leaders for the deployment of emerging tools and technologies has almost quadrupled.

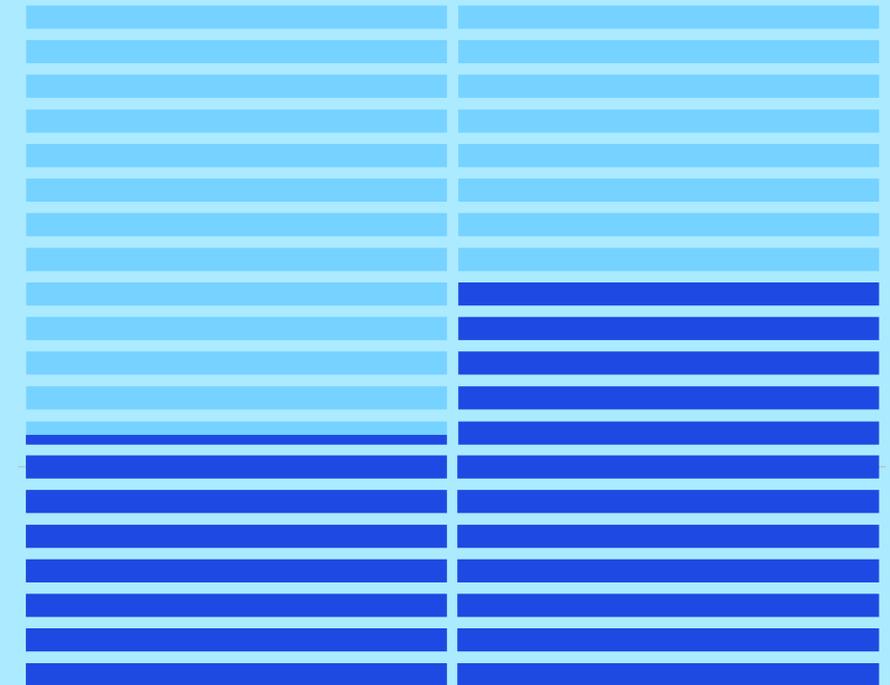
These results show what is possible. By demonstrating the potential returns of well-placed technology investments, tech teams can unlock support for future technology bets. And having made significant advances, many businesses are exploring new innovation opportunities — particularly in areas such as artificial intelligence (AI), including generative AI which really became an unstoppable force in 2023. They are also thinking hard about how to build on the improvements they have already made — with more rigorous management of their cloud-based infrastructure, for example.

In this year’s report, we look at businesses’ priorities and plans for technology. We surveyed 2,100 executives, including 70 in Saudi Arabia, and carried out in-depth discussions with industry experts to find out how organizations are looking forward to the next stage of the digital transformation journey. Where do they expect emerging technologies to drive new value? And how will they move forward with pace and confidence?



Robert Ptaszynski
Head of Digital & Innovation

Emerging tech buy-in has leapt forward



37%

of global respondents said they have buy in from leadership for emerging tech

60%

of respondents in Saudi Arabia said they have buy in from leadership for emerging tech



About the research:

The study is based on a survey of 2100 executives from sixteen countries, including 70 respondents based in Saudi Arabia.

These survey respondents in Saudi Arabia represent nine industries: costumer retail, energy, higher education, financial services, healthcare, industrial manufacturing, human and social services, and government and public sector.

A significant proportion of this sample is composed of senior leadership, including 73 percent members of the C-suite, 14 percent VP or head of department, and the remaining 9 percent at director level.

In terms of the size of the surveyed organizations in Saudi Arabia, 35 percent between US\$50 billion and US\$100 billion, 18 percent between US\$10 billion and US\$49.99 billion, and 48 percent of have annual revenues ranging between US\$100 million and US\$9.99 billion.

The study is based on a survey of 2100 executives from 16 countries, including 70 respondents based in Saudi Arabia



73%

members of the C-suite

14%

VP or head of department

9%

at director level



Section 1:

State of play



Digital transformation efforts are paying off

Building on the findings in the previous tech survey, the majority of this year’s respondents confirm they have successfully used digital transformation to improve their profitability or performance in some way. But, this year, the performance uplift has experienced a significant increase: overall, more than 80 percent of respondents have reported an increase in performance as a result of their digital transformation efforts over the past 24 months. The largest group of respondents saw technology investment driving profit or performance improvement uplift of at least 10 percent, up from last year’s most common rate of improvement uplift of around 2.5 percent.

In many cases, digital transformation investments are providing returns that have exceeded expectations and are driving tangible gains:

23%

of businesses say they have seen a profitability or performance gain of at least 11 percent from investments in low code/no code technologies

19%

say the same of investment in cybersecurity

16%

have seen such gains from investment in artificial intelligence and automation

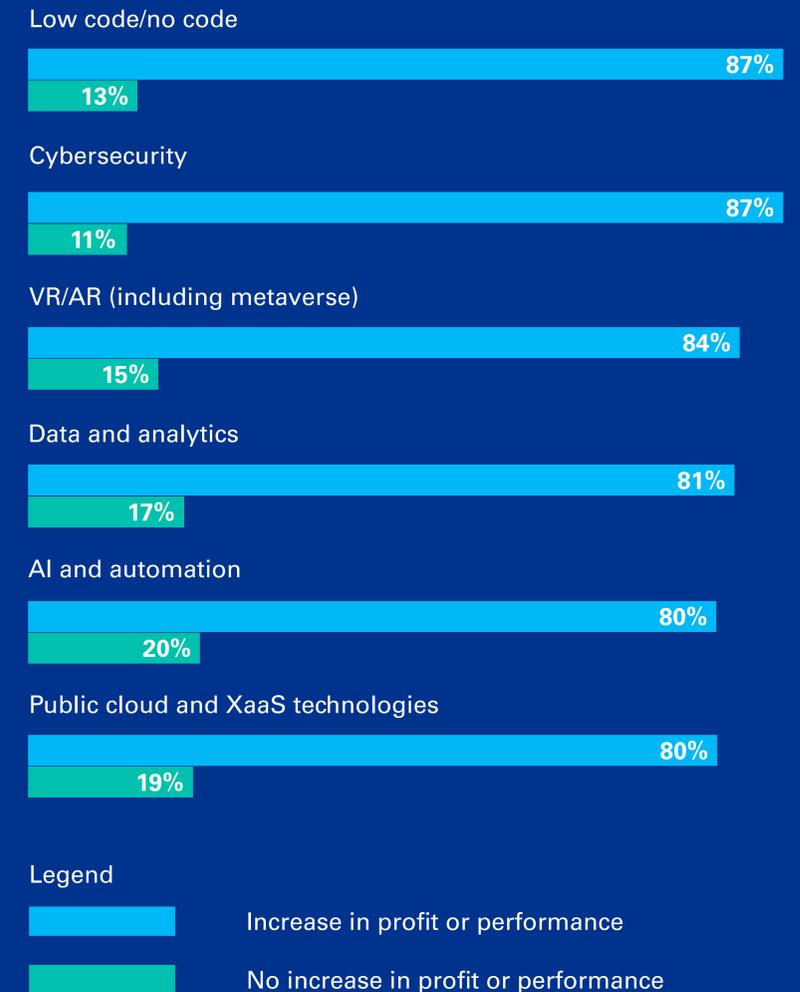
Other advantages of digital transformation that respondents highlighted include increased employee productivity, improved efficiency and cost control, enhanced customer engagement, higher levels of employee satisfaction, support for new business development and the enablement of innovation.

However, Saudi Arabia seems to be moving quicker than others. For example, 65 percent of international organizations report a significant increase in profitability and performance from investments in data and analytics, meanwhile, tech executives in Saudi Arabia note a 83 percent increase in this area.

“
Saudi Arabia is moving quicker than its peers in increasing profitability and performance from investments in data and analytics.”

All new technologies are improving organizations’ profitability or performance

Over the past 24 months, have your digital transformation efforts with the following technologies positively impacted profitability or performance?





Against this backdrop of successful recent digital transformation, many businesses in Saudi Arabia have a level of self-assurance: 82 percent say they will be able to grow using their existing technology stack. Interestingly, 60 percent say they now have buy-in from senior leaders for the deployment of emerging tools and technologies. In the consumer retail sector, the figure is now up to 66 percent, with energy (58 percent) and healthcare (43 percent) not far behind.

While it is positive to see organizations enjoying the rewards of their hard work with digital transformation, they must avoid the trap of becoming complacent. If they fail to stay in tune with new industry developments and shifts in customer expectations, organizations may soon see their competitors overtake them.



say they now have buy-in from senior leaders for the deployment of emerging tools and technologies

Customer engagement and cybersecurity stand firm as focus areas for digital transformation projects

Important to note, digital innovation projects are primarily focused on achieving performance uplifts around cybersecurity and customer engagement.

A desire for improved customer centricity, for instance, is a common trigger for digital transformation:

51%

of respondents say improving upselling and cross-selling opportunities is a leading driver for their digital transformation efforts

63%

say that the need to do a better job of converting prospects into customers is a trigger of transformation

Diving deeper into how customer needs are shaping digital transformation journeys, tech innovation initiatives in Saudi Arabia are primarily focused on meeting buyer expectations around cybersecurity, speed of service and convenience.

The three most influential customer expectations in digital transformation projects in Saudi Arabia

- 01** 

Convenience (including 24/7 access)
- 02** 

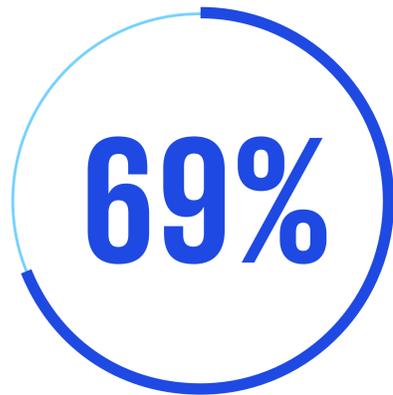
Stronger data privacy and cybersecurity
- 03** 

Speed of customer service



To get better at converting prospects into buyers and boosting the loyalty of existing customers, organizations should ensure their digital evolution journeys involve service and product upgrades that can save customers time and minimize any chances of frustration.

Rather than risk becoming complacent about the strength of their existing tech stacks, leading businesses recognize the importance of being nimble with innovation in the face of rapid technology change and evolving customer expectations.



of survey respondents say they've moved past experimenting with data and analytics, while 20 percent say they've fully integrated it into their daily operations and are seeing returns

Important technologies are delivering real value, but management challenges remain

Looking at the research respondent base, progress is faster in some areas than in others. For example, while businesses in Saudi Arabia are excited about the potential for AI, they are still in the early stages of using it. Just 21 percent have reached a stage where they are progressing proactively in the delivery of their AI strategies.

By contrast, 69 percent of organizations report that their work with data and analytics has gone beyond the experimental phase, while 20 percent describe their approach to data and analytics as “embedded” — it is fully integrated into daily operations and is generating returns.

Most organizations have recognized the value of data and are well on their way in executing their data strategies. But they still have more to achieve, especially around the integration issue of data sets not working together across an organization.

Similarly, the everything-as-a-service (XaaS) approach to technology is benefitting many organizations in a number of ways, but managing XaaS environments is far from straightforward. Apart from the considered cyber and compliance benefits, the advantages of XaaS in 2023 have evolved from those reported in 2022. The new entrants to the top four include reduction of carbon footprint/improved sustainability, accelerated adoption of advanced technology, and improved security and compliance.

“
In the realm of technology, change isn't an option but a necessity. The key to success lies in the ability to adapt and evolve at the pace of innovation.”

Fadi Al Sheikh
Partner, Head of Digital Transformation



The benefits of XaaS seem to be supporting an increase in productivity:

63%

of organizations in Saudi Arabia have increased their profitability or performance by using XaaS in the past 24 months

80%

of businesses in the Kingdom say the risks of XaaS technologies are worth it for the opportunities they create, compared to 63 percent of global respondents

XaaS gives us important insights into some of the challenges of digital transformation. Our research shows that while many organizations are preoccupied with the benefits of further migration, they are not managing their existing XaaS environments efficiently.

When looking ahead at organizations' top ambitions for XaaS in 2024, the goals that revolve around optimizing existing XaaS environments all sit outside the top three priorities. Having successfully shifted to XaaS, businesses should now learn how to intentionally optimize managing their technology estates.

Businesses want to manage initiatives intentionally to get the highest returns possible. This means looking at how to:

- Bring people and technology together more closely
- Work with partners to drive value
- Use emerging tools to get closer to customers

Overall, the lessons of the past twelve months are clear. Digital transformation must be done with intent. To build on the momentum they have created so far, technology leaders must work closely with business partners to align their innovation efforts to strategic ambitions. The way they achieve those ambitions might change as emerging technologies continue to evolve rapidly, but it is the business outcome that is all-important.

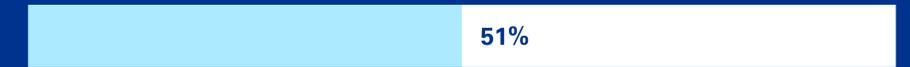
30%

of businesses say they had reached the proactive stage of their strategy for XaaS technologies

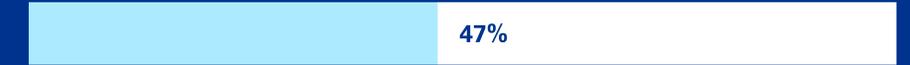
Primary ambitions for cloud are mainly focused on migration

What are your primary ambitions for cloud at the moment?

Supporting the operation of emerging technologies (e.g, AI, quantum computing etc)



Supporting new products/service development



Maximizing the amount of applications that are shifted to public cloud (XaaS technologies)



Enhancing security and compliance



Supporting new products/service development



Cost optimization (FinOps)



Transforming the business model





Section 2:

Trusted transformation



Trusted transformation: leading to better outcomes

To preserve the hard work put into digital transformation journeys, business leaders are intentionally keeping a close eye on cybersecurity considerations. In fact, many organizations have discovered that proactively managing security risks in the early stages of projects has significantly increased the success rates of their transformation projects.

This is a wise approach, because digital transformation and the adoption of new technologies can increase cybersecurity risk. As the surface area of a business's systems expands, bad actors have a bigger target. And changes to the business's infrastructure can introduce points of weakness. Greater connectivity, meanwhile — for employees, customers and partners — creates new attack vectors.

Crucially, this is not simply a technical challenge. Businesses that do not prioritize security in transformation processes will undermine their trusted relationships with stakeholders ranging from customers to suppliers. An emphasis on security during innovation is therefore a vital part of transforming with intent, and the business ambition here should be to drive trust in the organization.

In Saudi Arabia, 36 percent of technology leaders think that cybersecurity and privacy concerns could slow down their transformation progress, and amid the ongoing migration to cloud infrastructures, 54 percent say that enhancing security has become a key goal in their XaaS projects.

Security is being acknowledged as an opportunity

Rather than just being regarded as a resilience necessity, cyber is being recognized as a key commercial opportunity. Businesses that perform strongly on security will secure competitive advantage; 84 percent of the respondents in the Kingdom say that improving cybersecurity and privacy helps them to provide a loyalty-winning customer experience. They can also move forward with digital transformation more rapidly, because business leaders will likely be confident in their ability to protect the organization even as it changes.

No wonder, then, that enhancing resilience and trust through cyber is now one of the top innovation goals for technology functions. More than half (56 percent) of the surveyed executives in Saudi Arabia note that their cybersecurity teams are focusing on how to automate, streamline and embed security into the core of the business. Their challenge is to do this without making security a hindrance. If they can manage that, it can help people to work confidently, make productive choices and play their part in protecting the organization.

This work must be an integral element of digital transformation projects right from the start — it cannot be an afterthought.

Thankfully, security by design is becoming an accepted principle: 62 percent of businesses in the Kingdom have discovered that managing risk in the early stages of projects, with security and control by design, significantly increases the success rates of transformation programs.

This success is fueling appetite to become even more proactive with cybersecurity. Seven out of ten respondents say they want to become more proactive at integrating trust, security, privacy and resilience into technology rollouts.

But the alternative may be even less appealing. Retrofitting security protections can take longer to achieve, with less guarantee of success. So it makes sense to slow down early on in order to progress faster later.

Spending time to establish secure and trustworthy foundations in tech stacks can empower organizations to move forward with confidence towards new digital ambitions.

“Realizing a cybersecurity as a proactive asset drives innovation and helps organizations achieve their digital goals.”

Ton Diemont
Head of Cybersecurity and Data Privacy

Three ways to put security at the core of the business

01



Automate, streamline and embed security into the core of the business

02



Reinforce the trust that customers and clients have in the cybersecurity and protection of their data and services

03



Secure a complex ecosystem of third parties and external service providers



Section 3:

Digital ambitions





Digital ambitions

As businesses strive to move their digital transformation plans forward, the most successful innovators will continue to recognize the dangers of embracing new technologies simply for the sake of it. Encouragingly, many businesses have clear digital ambitions.

Similar to last year's research, boosting customer engagement and cybersecurity remain significant focus areas for digital investments. But a notable priority shift is seen in ESG targets rising to the very top of the agenda for many organizations.

After being ranked as the lowest digital transformation priority out of the areas measured in the previous survey, advancing ESG commitments is expected to be the primary driver of technology innovation over the next two years.

ESG is the top tech innovation priority

Businesses are working to take the initiative on ESG issues, and this focus will drive the technology innovation agenda too.

Almost two-fifths of respondents (39 percent) in Saudi Arabia, versus 48 percent of the global respondents, say that advancing their ESG priorities will be a primary innovation goal for their technology functions over the next two years.



As ESG transitions from being an important reporting responsibility to a driver of value creation, digital transformation will likely be crucial. KPMG’s alliance with Microsoft in this area highlights the role of technology in helping organizations achieve such a transition.

More than three-quarters of respondents (87 percent) are confident they can make progress on their near-term ESG ambitions using their existing technology stacks. One example of this is using data and analytics tools to track performance, manage reporting and identify improvements.

The opportunity here is considerable, and many businesses are focusing on how they can use technology to tackle their environmental ambitions. To reduce their carbon emissions through more efficient working practices, for example, or to measure and report their carbon emissions more accurately.

87%

of respondents are confident they can make progress on their near-term ESG ambitions using their existing technology stacks

Organizations are also looking at how to use technology to drive up ethical standards in the workforce, and to support diversity, equality and inclusion initiatives — including during recruitment. There is also the possibility of using technology to develop more sustainable products and services.

But, businesses admit they are slightly hesitant about taking risks with new investments

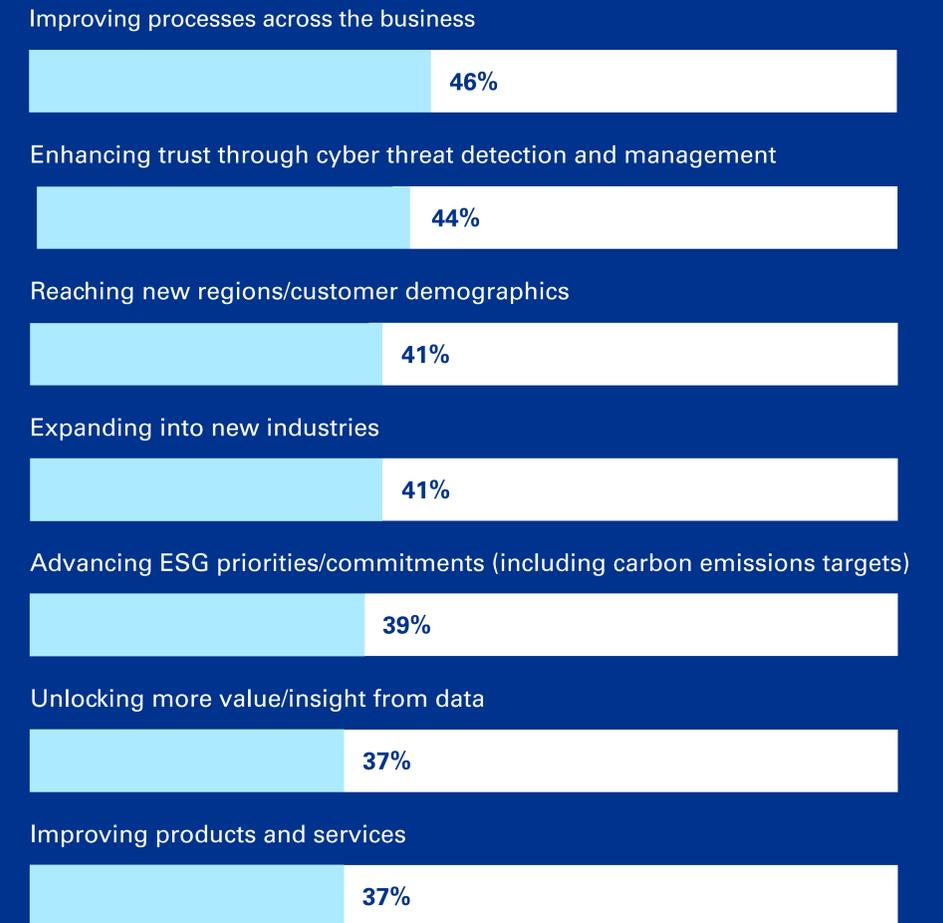
Looking at how businesses plan to evolve their tech stacks to achieve their goals- there is a sense of nervousness around investing in new technologies. Economic uncertainty has left three-quarters of surveyed tech executives in Saudi Arabia feeling less confident about investing in new technology; however, it would be a mistake for them to completely shy away from innovation and settle for the strength of their existing tech stacks. A halt in progress could give their competitors a window of opportunity to overtake and become industry leaders.

This nervousness around market uncertainty does seem to be impacting investment plans: 79 percent say they are expected to do more with a smaller budget than last year.

The IT function must learn to tell its story more effectively. In Saudi Arabia, the companies most self-aware of the productivity impact and financial costs of their existing technology are in the energy (82 percent), tech (75 percent) and industrial manufacturing industry (60 percent), leaving behind financial services and consumer retail at 43 and 50 percent respectively.

Tech functions are increasingly contributing toward ESG priorities

Which of the following innovation goals will your tech function primarily contribute towards in the next two years?





Intentionally highlighting the business outcomes and returns up for grabs can help transformation leaders win access to the support and resources they need to reach their key ambitions, for instance around ESG or customer engagement.

The AI and machine learning boom continues to burn bright

Organizations consider AI and machine learning as the most important technologies for achieving their short-term ambitions. In Saudi Arabia, 56 percent of technology leaders believe that AI and machine learning, including generative AI, will be important in helping them achieve their business objectives over the next three years. Second in this list of priorities comes edge computing, at 43 percent.

AI strategies are changing at speed

As a result of the rapid advances in AI, and generative AI in particular, many businesses are being forced to reassess their AI strategies. In last year’s report, 78 percent of tech executives in Saudi Arabia said they had reached the “proactive” stage of their strategy for AI deployment; today, that figure has dropped to just 21 percent. While they recognize the potential of AI to help them with their short-term ambitions, they are also determined to be agile in their approach to execution.

One reason for this is the debate about how to introduce AI ethically and safely: 80 percent of the respondents in Saudi Arabia stated progress toward automation has been delayed because of their concerns about how AI systems make decisions. As scrutiny of AI increases, businesses will need policies and practices they can articulate and apply with confidence.

How to succeed with AI

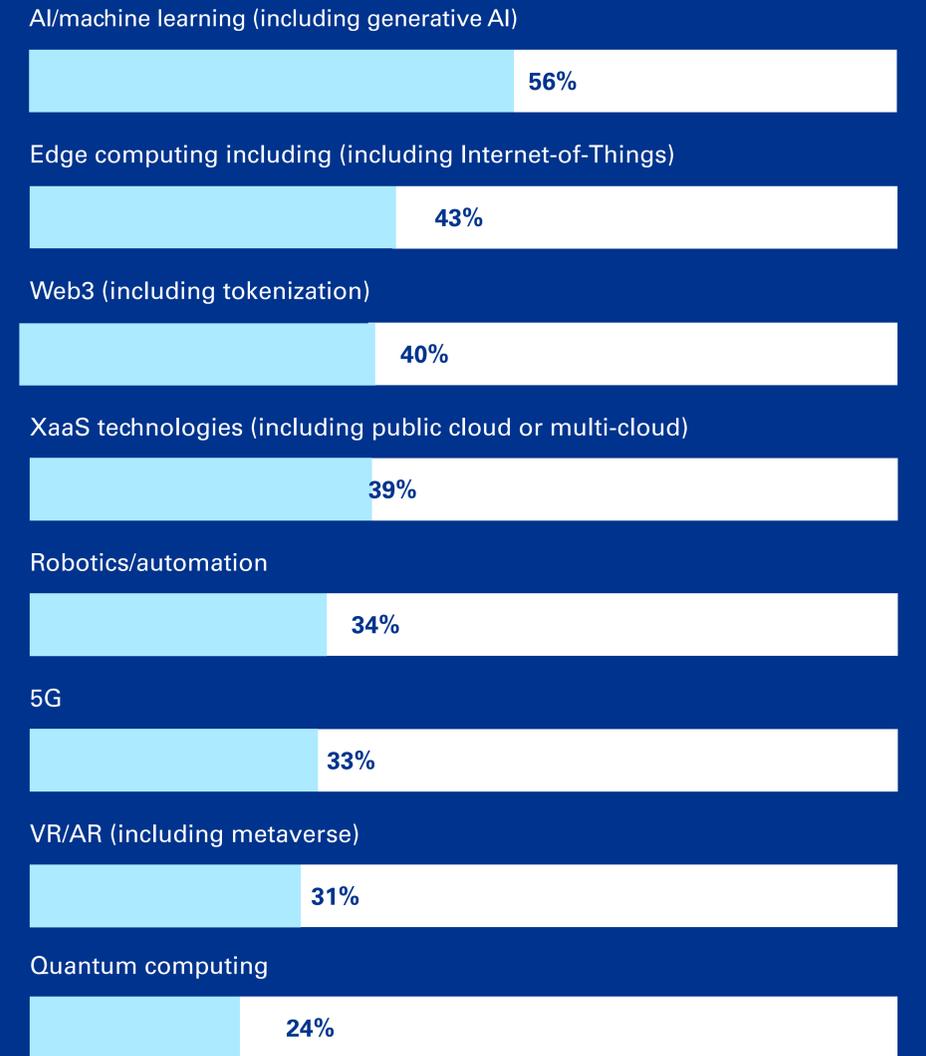
It is sensible to proceed carefully and to be ready to change direction — particularly with generative AI models — and to focus on the needs of users, such as employees and customers. For example, limiting what models can do may ultimately be more transformative, because users are more likely to reject more far-reaching changes. Similarly, safe usage guidelines for generative AI applications within the organization can help to ensure proper and effective use. The guidelines might include a training requirement for anyone wanting to use these tools.

“Generative AI represents a new era of innovation, where artificial intelligence amplifies human potential. This tool will have a profound impact on the Kingdom’s future, playing a significant role in shaping organizations. By embracing it, we’re set to drive innovation and growth, paving the way toward a thriving future.”

Maz Hussain
Partner, Head of Digital Lighthouse

AI and machine learning are key to delivering on short-term ambitions

Of the following technologies, which do you think will be most important in helping your business achieve its short-term ambitions over the next three years?



Beware of following the herd

Despite most organizations demonstrating a strong level of diligence in their transformation strategies, the research identifies a blind spot when it comes to technology choices. When asked to explain thought process behind their technology selections, the most popular reason given for investing in technologies was because leaders in the market have already adopted. Additionally, technology leaders in Saudi Arabia often prioritize technology based on customer feedback, ensuring alignment with consumer preferences.

57%

say they are prioritizing 5G technologies because they believe market leaders have already adopted this kind of technology

46%

say the same for AI and machine learning

50%

say they are prioritizing edge computing (including IoT) because of the customer feedback

46%

say the same for robotics/automation

This fear of missing out is understandable, but peer pressure is not a business case on its own. Instead, technology leaders should stay focused on working with business partners to drive commercial and strategic outcomes. Valuable outcomes can only be achieved if business leaders rigorously assess how suitable potential investments are for their own organization.

To build on the digital transformation momentum so far in the face of economic headwinds, businesses must continue to uphold a level of intentionality in their strategies to prevent projects from drifting aimlessly. This will be especially important to ensure organizations do not waste precious money and resources in an era where budgets continue to tighten.

Three most common benefits of AI and automation

01

Supported new business development



02

Strengthened business resilience



03

Raised employee satisfaction levels





Section 4:

Momentum threats



Momentum threats: culture and collaboration

As organizations embark on their digital transformation ambitions, the journeys ahead will inevitably require them to get over technical hurdles. But it is not typically these technical factors that businesses worry about most. In this year's research, respondents proved more likely to say that culture, collaboration and communication are the bottlenecks sabotaging successful transformation. Technology functions lacking coordination is seen by respondents in the Kingdom as the top hurdle in the way of transformation progress.

Almost half of respondents in Saudi Arabia (46 percent) say their technology function lacks the governance and coordination it needs to effectively support transformation initiatives. Further, 44 percent describe their culture as risk averse and 37 percent are concerned about immature data management strategies.

Communication needs to go up and down the business as well as across its functions. In particular, while technology leaders say they need executive buy-in to succeed with digital transformation initiatives, 77 percent say they need to get better at helping the board to understand the potential of new technologies.



These communication problems extend to external partners. Third-party relationships can get in the way of innovation by, for example, stifling overall business agility:

86%

of businesses say that long-term contracts with vendors hamper their ability to invest in new technology

36%

say the need to manage an ever-growing ecosystem of partners and vendors is a technology stack challenge that threatens innovation

How to drive the collaboration dividend

To minimize the chances of miscommunication between teams derailing project progress down the line, be sure to address the different perspectives and levels of understanding.

Filling skills gaps will inevitably be challenging because of the pace at which technology is evolving and the huge demand for technologists across multiple industries. However, pursuing diversity will not only broaden the potential pool of recruits, but can also provide access to new in-demand skills.

Skills needed by tech professionals in leadership positions

Empathetic skills

1. Creativity and innovation
2. Ethical understanding
3. Collaboration

Commercial skills

1. Technical/digital literacy
2. Ability to teach others
3. Leadership

To place future digital transformation projects in a position to succeed, business leaders must take ownership in troubleshooting the collaboration and culture weaknesses that exist in their organization.

The tech department's lack of coordination threatens transformation progress

Which of the following challenges are most likely to slow down your transformation?

Technology function lacking the governance and coordination to effectively support transformation initiatives



A risk-averse culture that is slow to embrace change



Immature data management strategies



Cybersecurity or privacy concerns



Constraints from legacy technology



Lack of skills within our organization



Spiraling costs



Transformation fatigue





Section 5:

Intentional digital transformation





Lessons on intentional digital transformation

In last year’s tech report, we witnessed a surge in digital competency from organizations in comparison to previous years. This leap forward in digital effectiveness was to such an extent that it became very clear organizations had outgrown our initial definition of digital leadership.

This year, our research utilizes a new definition to identify digitally advanced organizations. Observations from this group can provide best practice lessons for the rest of the market to consider as they continue with their digital transformation journeys.

To be defined as a digital leader, organizations from our respondent base needed to meet two important criteria:

1. They have built technology stacks that they are confident will deliver their digital transformation goals.
2. They have already started to generate profit or performance uplifts from their technology investments.

This group is made up of about 15 percent of the businesses in our research, and the data shows that these digital leaders are transforming at a faster pace and with better results than the global average.

For example, 77 percent of the leaders in the Kingdom agree that their technology function needs to improve in helping the board members understand the potential of emerging technologies, compared with 69 percent of businesses overall. In terms of progressing against their strategies and continually evolving, leaders in Saudi Arabia are proactive in AI (21 percent), cybersecurity, data and analytics, emerging technology, and public cloud & XaaS technologies compared to the overall respondent base.

Moreover, 74 percent of technology leaders in Saudi Arabia agree that greater diversity in the IT team can support collaboration with the wider business, compared with 71 percent of international organizations. Seventy-seven percent are determined to get better at increasing board understanding; and 86 percent are conscious of the need to focus on long-term contracts with vendors.

As a result of this work, the digital leaders are experiencing a wide range of benefits, and are seeing more returns than they had anticipated. On measures ranging from employee productivity to innovation enablement, the leaders are far more likely to have seen business outcomes that exceed their expectations.

How can other businesses catch up with the digital leaders?

First, they need to focus on business agility. When we asked about what is essential to thriving in a digital economy, two of the actions the organizations identified were embedding cybersecurity and privacy in their businesses and the ability to listen and adapt to the voice of the customer. Significantly, however, the digital leaders are more likely than other businesses to choose “the agility to accurately respond to market signals” as a vital attribute.

To what extent would you say that your digital transformation investments in recent years have contributed to the following outcomes?

(Percentages are those answering “above expectations”)





Agility provides advantages in multiple areas that businesses should consider. To what extent, for example, have they used data and analytics to create feedback loops that enable them to constantly iterate products, services and their approach to key business problems? Have they overcome the problem of functional silos to support fast-paced and seamless collaboration across the organization? Are they set up to pursue partnerships and projects with third parties?

Get it right, and the potential benefits are huge – as our survey shows:

80% of digital leaders are recording improvements in employee productivity from digital transformation, compared with only 63 percent of those that were not identified as digital leaders

80% of digital leaders are enabling innovation, compared with 74 percent of non-digital leaders

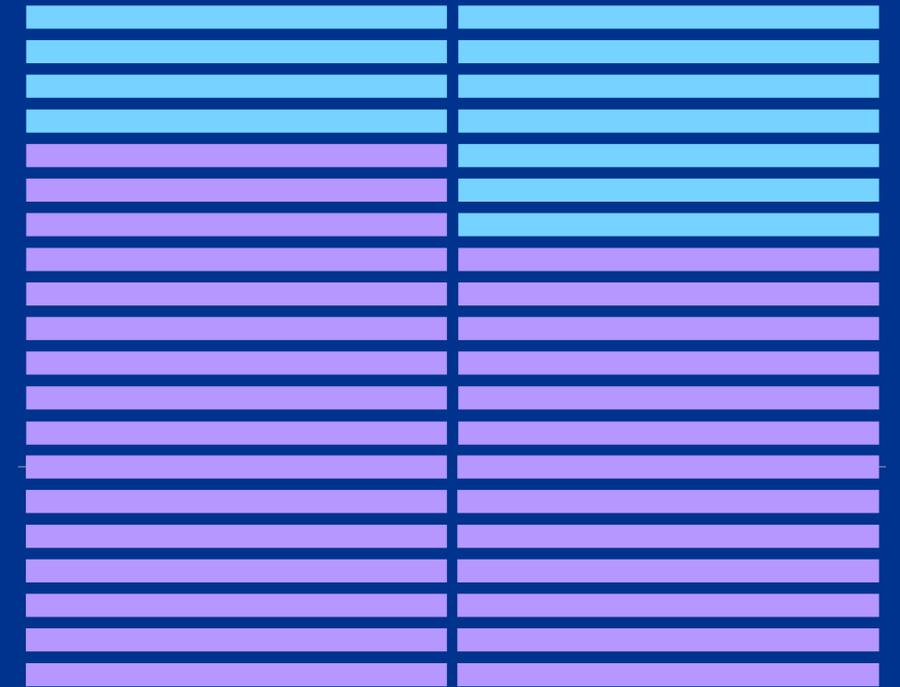
71% of digital leaders say they have enhanced customer engagement, compared with 65 percent of non-digital leaders

75% of digital leaders say they have raised employee satisfaction, compared with 61 percent of non-digital leaders

The ability to think and act with agility, so resources are pivoted in line with rapidly changing priorities, is going to become a key requirement for technology leaders. For half of the digital leaders, agility is already seen as an essential attribute.

88% of leaders in Saudi Arabia say their technology function can help the enterprise to confidently explore the potential of emerging technologies compared with 67 percent of leaders globally.

The impact of digital transformation in enabling innovation is notably greater in the Kingdom.



80% of digital leaders in Saudi Arabia are driving innovation through digital transformation

65% of global digital leaders are driving innovation through digital transformation

Conclusion



Technology leaders are determined to keep their organizations' digital transformations on track. But they should do it intentionally, and collaborate with the broader business for greater impact. Even in a supportive market environment, investing in technology for the sake of it would be indulgent; in today's challenging times, innovation must be tied to clear business outcomes and carefully monitored for bottom-line returns.

Agility is crucial. Not every experiment pays off, but nimble businesses are able to adjust at speed, responding to internal drivers as well as the changing environment around them to optimize outcomes. The most successful deployments can be expanded while less-rewarding experiments are placed to one side.

To learn from the success of the digital leaders referenced in this research, consider these factors:

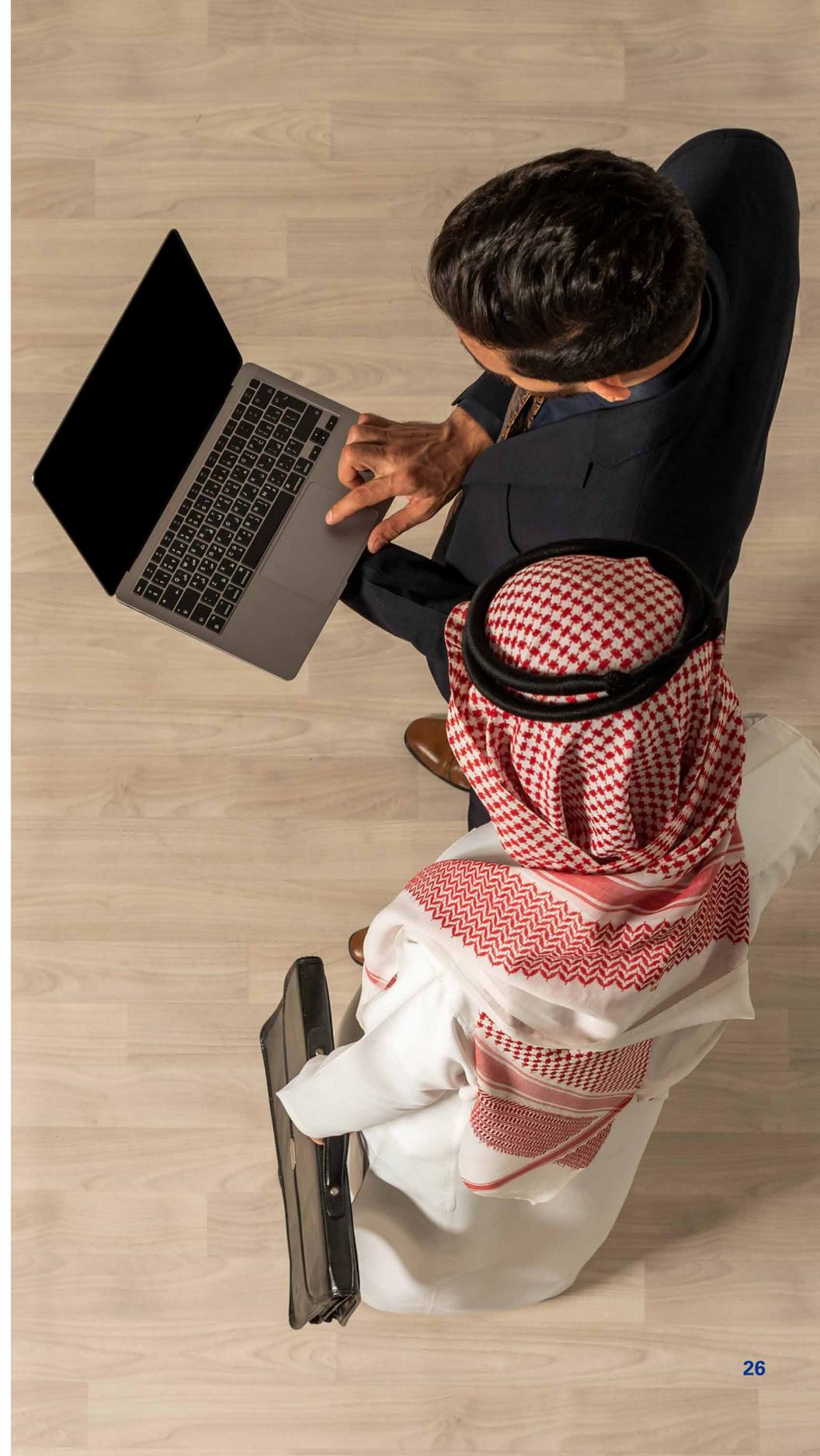
- 7 in 10 digital leaders say they still need to get better at helping the board understand the potential of new technologies.
- 6 in 10 say they are fully aware of the productivity impact and financial costs of their existing tech debts.
- 7 in 10 believe they must be more proactive about integrating trust, security, privacy and resilience into technology roll-outs.
- 7 in 10 think collaboration with the wider business would be stronger if their tech function was more diverse.
- 6 in 10 say customer expectations of stronger data privacy and cybersecurity are a key influence on their strategic priorities.

Above all, focus on what the business needs now and in the future, and how technology can support that most effectively. This is how the IT function can continue to win the support of the C-suite for technology innovation: 60 percent of businesses say that emerging technology investment has executive buy-in, a higher that is 10 percentage points up from last year's research.

To take advantage, consider the following questions:

- How will you ensure your business is keeping up with rapidly evolving technology trends and remains alert to areas where you could be falling behind?
- Which quantifiable measures of value are you setting for your digital transformation projects, and how tightly are you aligning these to your organization's commercial goals?
- How are you using digital technology to enhance how your organization captures ESG value?
- Which policies should your organization have in place to help your workforce leverage AI safely and with confidence?
- How are you troubleshooting the collaboration weak spots in your organization, to make sure they don't undermine your digital productivity?
- What more should you do to prioritize cybersecurity as a lever for driving and protecting business value?

Those who intentionally address these questions will help ensure their company is equipped to confidently realize value at pace. If you would like more information on how you can accelerate your technology transformation, speak to a KPMG professional.





Transformation never stops. Neither do we.

At KPMG we believe that business transformation is too good an opportunity to miss. Combining the right tech and the best processes with people whose insight is as broad as it is deep, are essential ingredients to successfully transform. KPMG member firms have worked at the heart of global businesses for many decades, helping our clients realize the full potential of their people and technology, working together to achieve real-world outcomes. Because when people and technology are in harmony great things can happen.

Making a world of difference

KPMG people can make all the difference on your transformation journey. Together we can help you to orient your business around the customer, optimize functions for a new era, manage enterprise risk and regulation for a safer future, rise to a new level of value creation, and create an environment for managing ongoing change.

Contributor:

Peter Bannink, Head of Marketing & Thought Leadership

Alanood Almutairi, Analyst, Marketing & Thought Leadership

Transforming for a future of value

KPMG firms' suite of business transformation technology solutions can help you engineer a different future – of new opportunities that are designed to create and protect value.

KPMG Connected Enterprise

KPMG's customer centric, agile approach to digital transformation, tailored by sector.

KPMG Powered Enterprise

KPMG's suite of services to transform functions. Target operating models designed and pre-configured on leading SaaS (Software as a Service) platforms.

KPMG Trusted

How to build and sustain the trust of your stakeholders.

KPMG Elevate

Unlock financial value quickly and confidently.



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