



Digital transformation in higher education – the challenges



A KPMG and Forrester study

The UK higher education sector must enhance its digital transformation efforts

As the digital landscape evolves, higher education organisations face a pivotal moment for self-reflection and change. A strategic evaluation of current digital transformation activities and how to improve them becomes imperative.

Higher education organisations increasingly want to adopt industry-specific solutions to speed up digital transformation and focus scarce resources on student-centric programmes over costly legacy technology debt.

Key Findings

The education sector has a significantly low level of digital maturity. Only 12% of UK higher education decision makers consider their digital transformation completely successful. This is 5% lower than the wider public sector result of 17%.

The education sector is facing severe obstacles to success. Decision makers in the sector admit lack technology specific skills or knowledge (58%), lack of technology strategy (42%), and complex software and technology (58%) as main challenges.

UK education organisations have experienced some impact from digital transformation success. Decision makers in the sector have experienced a positive effect on customer journey mapping (34%) and improving agility in process (59%) from implementing digital practices.

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Challenges preventing departments from achieving successful digital transformation

1. Technology	42% Lack of technology strategy	58% Complex software and technology	25% Sharing data or drawing insights across departments
2. Process	33% Security	17% Disconnect between political timescales and project delivery timescales	25% Lack of agility to adapt to new processes and capabilities
3. People	58% Lack of technology-specific skills or knowledge	33% Lack of training	33% Reactive/risk-averse organisational culture blocking change
4. Governance	42% Budget constraints	42% Lack of a formal system to prioritise digital transformation activities	8% Lack of metrics to measure success of digital

Base: 148 decision-makers in the UK public sector involved in digital transformation decisions
Source: A commissioned study conducted by Forrester Consulting on behalf of KPMG, October 2023

The status of digital transformation

- **There is still a long way to go.** Only a few decision makers are completely satisfied with their digital transformation journey. Many will increase efforts to meet their digital priorities.
- **The UK public sector still struggles with the basics.** Organisations face beginner-level challenges such as a lack of technology strategy, budgets, and skills.
- **Decision makers recognize they need help.** Many respondents will increase the budget to work with third-party service providers and expect them to be able to meet their evolving needs.