

THE TRANSFORMATIONAL CIO

Harvey Nash/KPMG CIO Survey 2018

Central/Federal Government Sector Findings

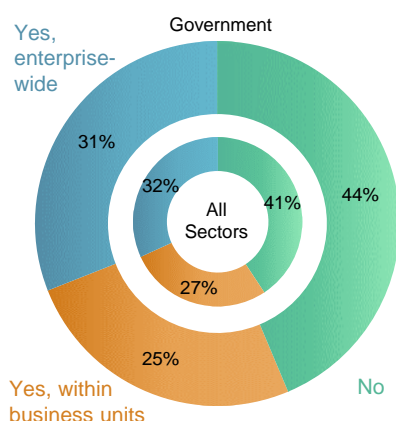


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Central/Federal Government sector snapshot provides survey responses from nearly 100 IT leaders on some of the key topics, and highlights several areas where this sector's responses differed significantly from those across all sectors.

Digital Strategy

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



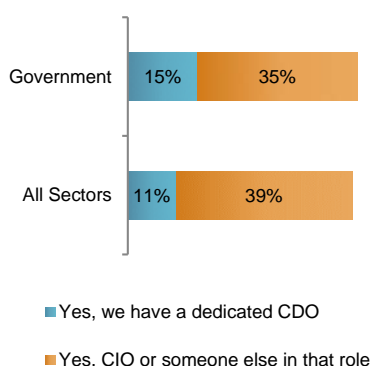
Government entities are **roughly equally likely to maintain an enterprise-wide digital business strategy** as those in other sectors (31% vs. 32% for all sectors). However, 44% have no clear digital strategy at all.

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



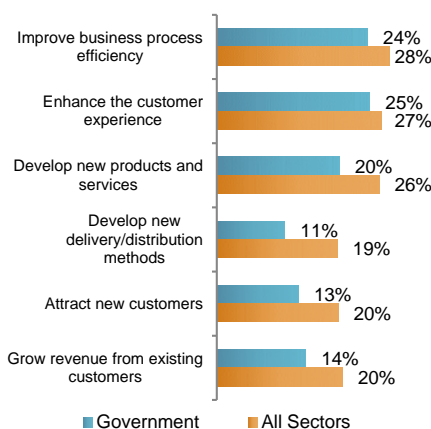
When prioritizing digital investments, Government entities **heavily focus on improving business process efficiency** (77% vs. 54% for all sectors) and **enhancing the customer experience** (56% vs. 60%).

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



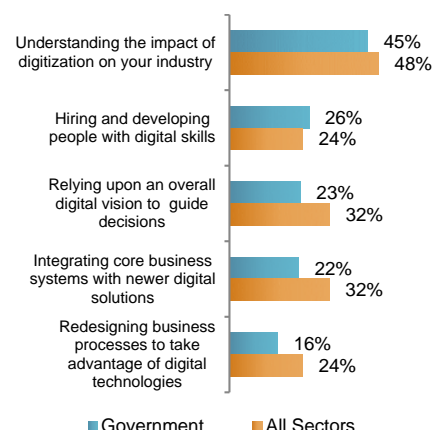
50% of Government entities have a Chief Digital Officer or equivalent, with 15% having a dedicated CDO and an additional 35% having the CIO or someone else acting in that role. Overall, they are equally likely as others to have a single executive lead their digital strategy.

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



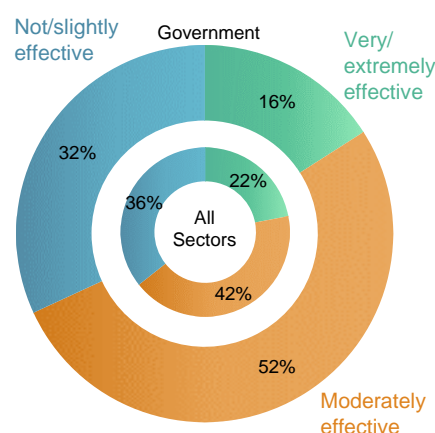
Despite its high importance, Government entities **struggle with using digital to improve business process efficiency** (24% vs. 28% for all sectors). They also lack effectiveness in using it to enhance the customer experience (25% vs. 27%), also an important focus.

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



Government effectiveness in key digital capabilities tends to lag peers in other sectors. Government is **most effective at understanding the impact of digitization** (45%), but **struggles with redesigning business processes to take advantage of digital** (16%).

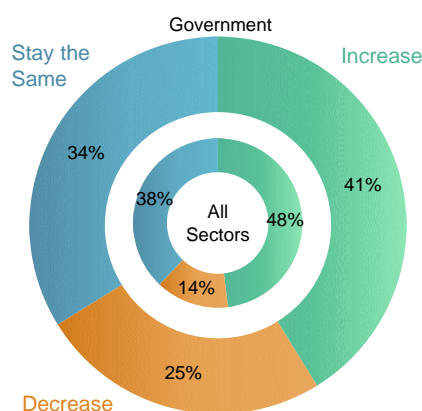
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Government entities **report lower overall effectiveness levels in their digital strategies** than others, with just 16% describing their digital strategies as very effective or better versus 22% for all sectors.

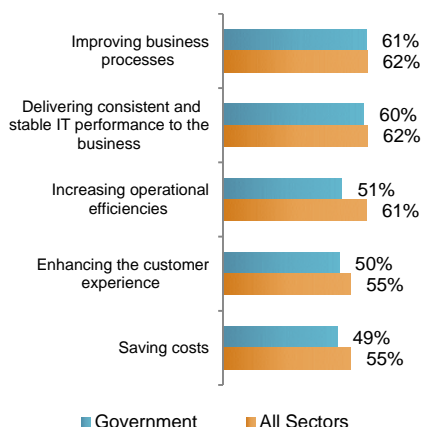
Budget/Priorities

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



Government entities are **less optimistic about their IT budgets for next year** than those in other sectors. Just 41% of respondents expect an increase in their IT budgets, compared to an overall average of 48%.

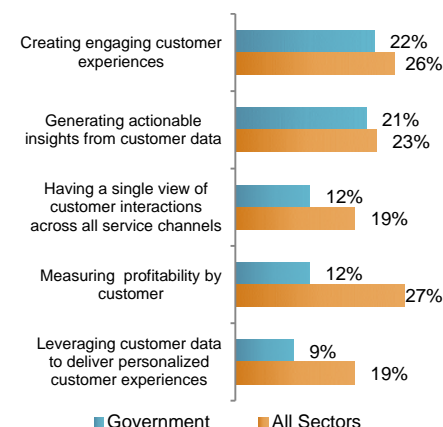
What are the key business issues that your management Board are looking for IT to address? (top 5)



Government entities **heavily emphasize "core" IT issues** such as improving business processes (61% vs. 62% for all sectors), delivering consistent and stable IT performance (60% vs. 62%) and increasing operational efficiencies (51% vs. 61%).

Customer Capabilities

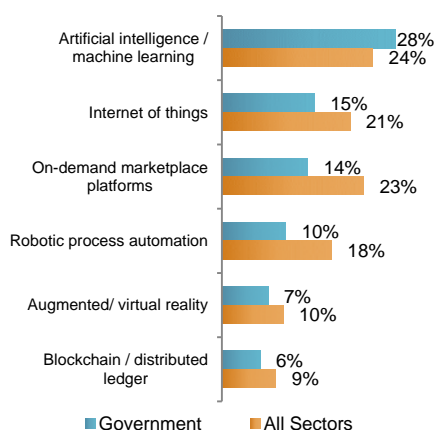
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Despite its focus on enhancing the customer experience, Government **struggles even more than other sectors with five critical customer-focused capabilities**. No more than 22% rate themselves very effective or better at any.

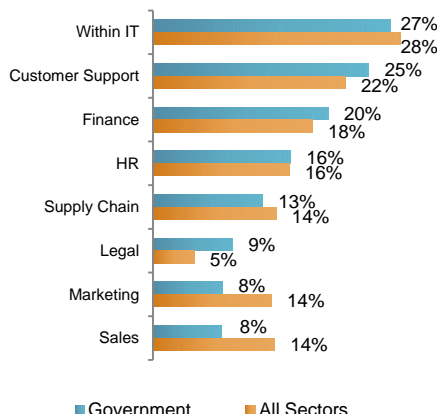
Technology & Innovation

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



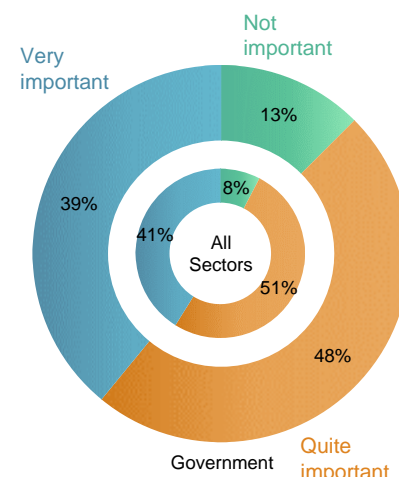
Of next-generation technologies, Government entities are **most likely to have invested in A.I./machine learning (28%) and the Internet of Things (15%)**. Overall, their investment in these technologies lags other sectors.

In which functions have you implemented digital labor / automation?



While **digital labor / automation remains in its relative infancy across all corporate functions** both in Government and elsewhere, Government entities are most likely to have implemented it within IT (27%), and in Customer Support (25%).

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



As in other sectors, Government entities **view having an innovative, experimental culture as a critical component of the success of their digital strategies**, with 87% viewing it as very or quite important.

Conclusion

Not long ago, Government bodies often responded to the digital challenge by building a few shiny web front-ends that were often not effectively linked to their strategy or enterprise IT back-end. Today, Governments and public sector bodies alike have a digital agenda that is focused on delivering citizen and mission-centric transformation.

Public bodies often face greater challenges than their private sector peers, given the often legacy nature of their enterprise IT estates, the sheer scale and number of instances they are managing and, in many cases, an excess of red tape. There is a long way to go for many, but across the board it is clear that real progress is being made by some hugely dedicated teams.

Further information

Mike Stone

Global Head of Technology Transformation for Infrastructure, Government and Healthcare
KPMG International

T: +44 20 73112807

E: mike.stone@kpmg.co.uk

www.kpmg.com/ciosurvey