THE TRANSFORMATIONAL CIO

Harvey Nash/KPMG CIO Survey 2018

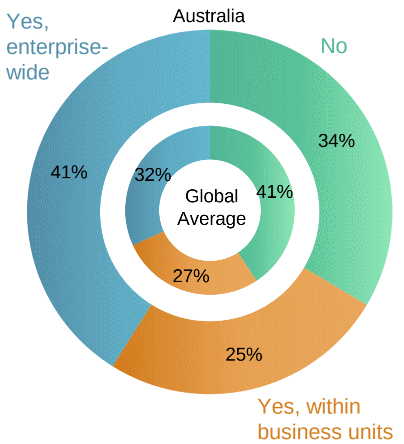
Australia Country Findings

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 Australia country snapshot provides survey responses from more than 200 IT leaders on some of the key topics, and highlights several areas where responses differed significantly from those across all geographies.

Digital Strategy

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

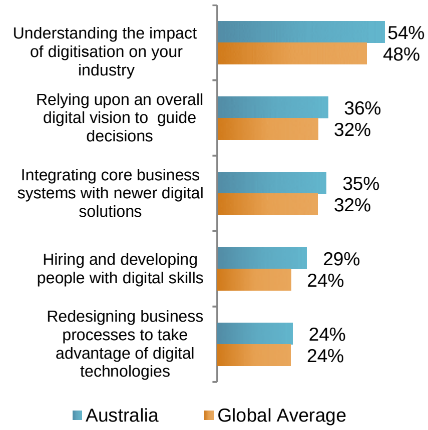


Australian companies are **more likely to maintain an enterprise-wide digital business strategy** than those in other countries (41% vs. 32% globally), with 66% having a clear strategy either enterprise-wide or within business units.

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

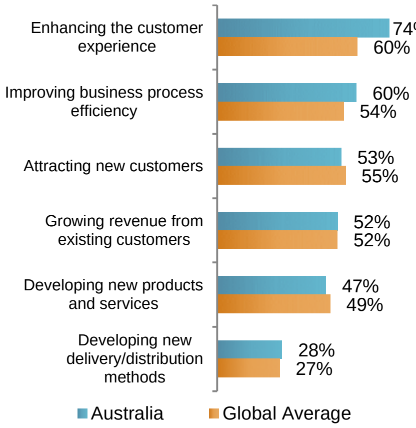
54% of Australian companies have a CDO, with 12% having a dedicated CDO and an additional 42% having someone else acting in that role. Both figures exceed global averages.

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



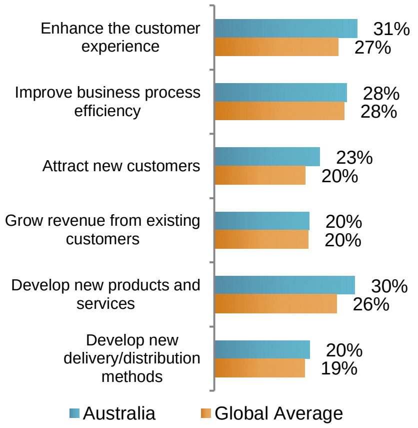
Australian companies tend to be more effective in key digital capabilities than global peers. They are **particularly effective at understanding the impact of digitisation** (54%), but **struggle with redesigning business processes to take advantage of digital technologies** (24%).

Which are the most important goals when prioritising digital technology initiatives in your organisation?



When making digital investments, Australian companies tend to **focus much more on enhancing the customer experience** (74% vs. 60% globally) **and improving business process efficiency** (60% vs. 54%), the top two goals for Australian respondents.

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



While more effective than global peers, **only 31% of Australian companies rate themselves as very effective or better on their top digital goal of enhancing the customer experience.**

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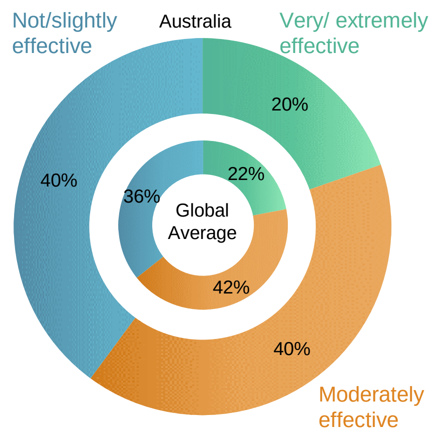
Overall, how effective has your organisation been in using digital technologies to advance its business strategy?



Like their peers globally, Australian companies **report low overall effectiveness levels in their digital strategies**, with just 20% describing their digital strategies as very effective or better.

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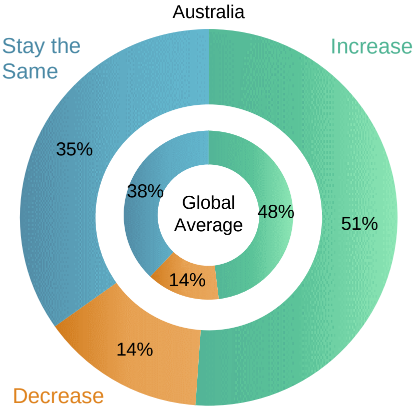
Budget/Priorities

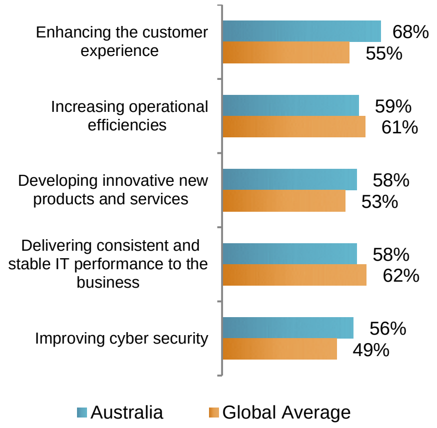
Customer Capabilities

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



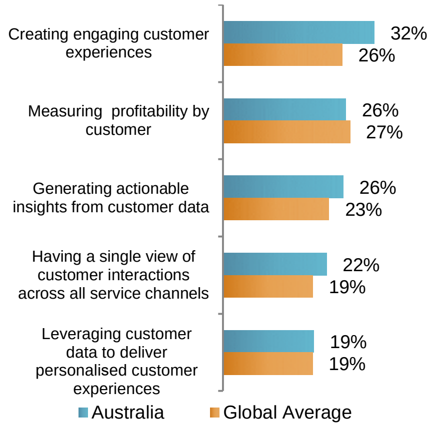
Australian companies are **somewhat more optimistic about their IT budgets for next year** than those in other countries. 51% of respondents expect an increase in their IT budgets, compared to a global average of 48%.

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



Compared to those globally, Australian Boards **more heavily emphasise IT enhancing the customer experience** (68% vs. 55% globally) **and improving cyber security** (56% vs. 49%).

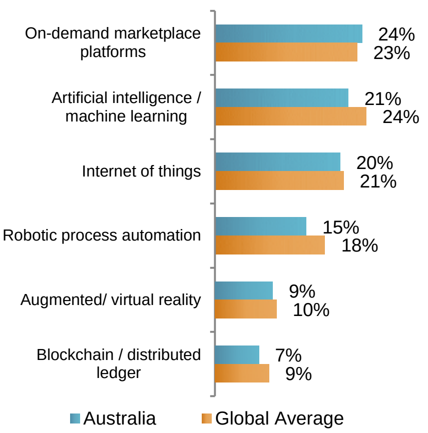
How effective is your organisation at each of the following capabilities? (Very/Extremely Effective)



Like their global peers, Australian companies **lack effectiveness in five critical customer-focused capabilities,** with no more than roughly a third rating themselves at least very effective at any. They are especially ineffective at leveraging customer data to deliver personalised experiences (19%), an important means to enhance the customer experience.

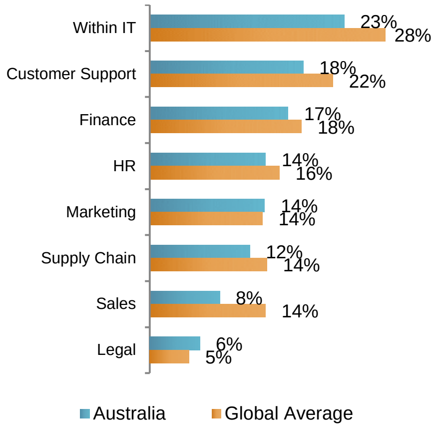
Technology & Innovation

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



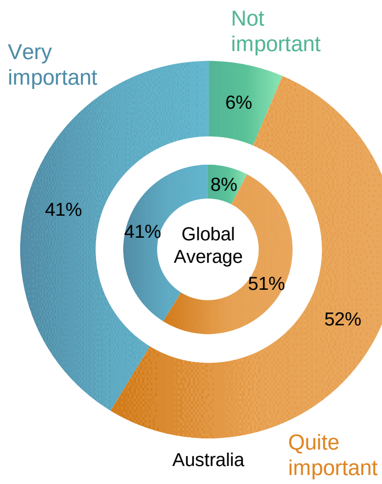
Of next-generation technologies, Australian companies are **most likely to have invested in on-demand marketplace platforms** (24%) **and artificial intelligence / machine learning** (21%). Only 7% have invested in blockchain.

In which functions have you implemented digital labour / automation?



While **digital labour / automation remains in its relative infancy across all corporate functions** both in Australia and worldwide, Australian companies are most likely to have implemented it within IT (23%), and in Customer Support (18%).

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



As with companies elsewhere, Australian companies **view having an innovative culture as a critical component in the success of their digital strategies**, with 94% viewing it as very or quite important.

Conclusion

Transforming the enterprise to deliver consistently on the digital promise made to customers and citizens is still proving to be a major challenge for Australian and global organisations. The ability to respond to rapidly changing consumer digital demand and technological innovation requires alignment of people, processes, and technology through the front, middle and back office. This is not an easy task for companies with long standing 'analogue' legacies in each of these areas, as is demonstrated by the survey results. Only 20% of Australian CIOs rate their organisation as very effective or better at delivering on their digital strategy. On a positive note, Australian companies do tend to be more effective than their global peers across a range of digital related capabilities, which is hopefully a leading indicator of improvement in the former category.

Further information

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