

THE TRANSFORMATIONAL CIO

Harvey Nash/KPMG CIO Survey 2018

Canada Country Findings

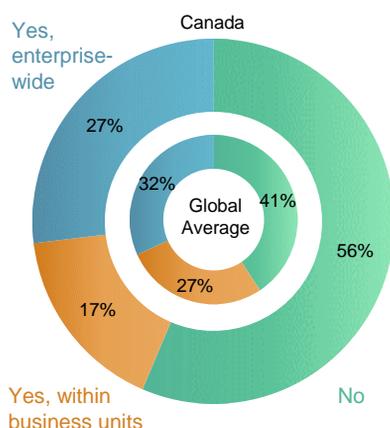


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Canada country snapshot provides survey responses from 92 IT leaders on some of the key topics, and highlights several areas where this country's responses differed significantly from those across all geographies.

Digital Strategy

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



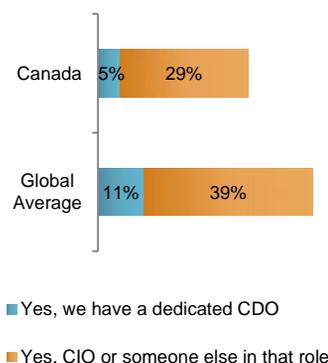
Canadian companies are **less likely to maintain an enterprise-wide digital business strategy** than those in other countries (27% vs. 32% globally), with 44% having a clear strategy either enterprise-wide or within business units.

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



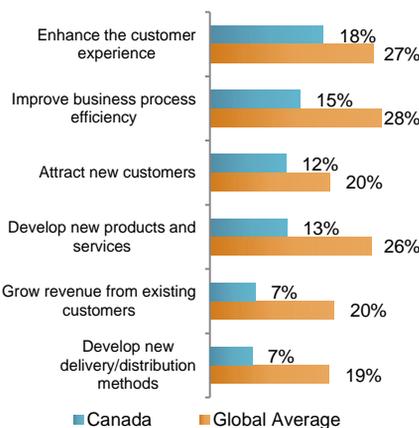
When prioritizing digital investments, Canadian companies **most focus on enhancing the customer experience** (74% vs. 60% globally) and **improving business process efficiency** (62% vs. 54%).

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



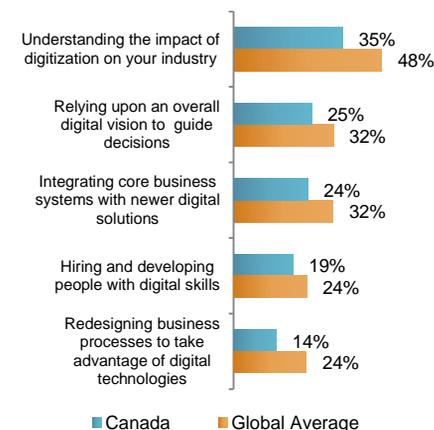
Canadian companies are **much less likely to have a Chief Digital Officer or equivalent** than others, with just 5% having a dedicated CDO and an additional 29% someone else acting in that role, both much lower than global averages.

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



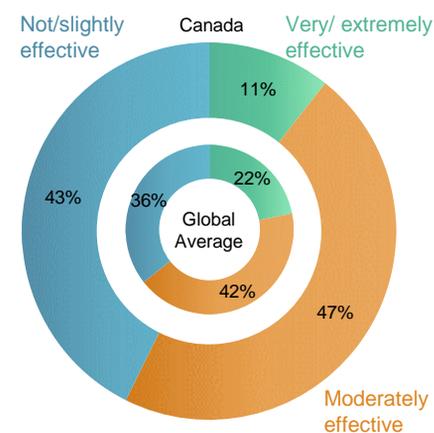
Despite its high importance, **only 18% of Canadian companies rate themselves as very effective or better at using digital to enhance the customer experience.** They are even less effective at using digital to improve business process efficiency, also an important focus.

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



Canadian companies' **effectiveness in key digital capabilities lags that of global peers across the board.** They particularly struggle with hiring and developing people with digital skills (19%) and redesigning business processes to take advantage of digital (14%).

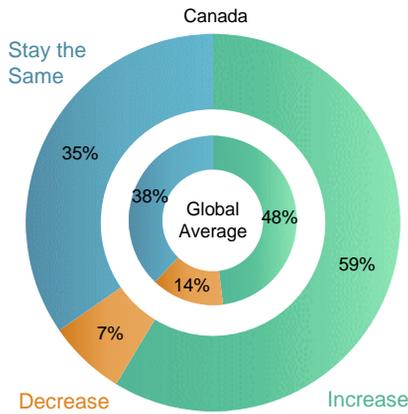
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Canadian companies **report much lower overall effectiveness levels in their digital strategies**, with just 11% describing their digital strategies as very effective or better compared to a global average of 22%.

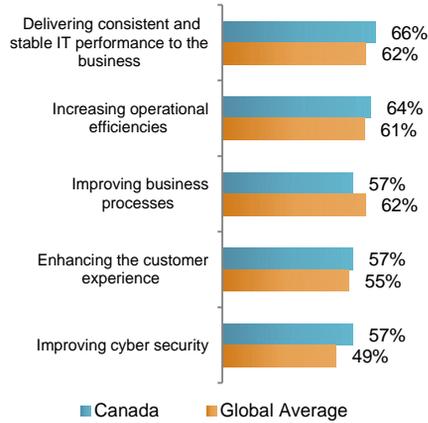
Budget/Priorities

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



Canadian companies are **much more optimistic about their IT budgets for next year** than those in other countries. 59% of respondents expect an increase in their IT budgets, compared to a global average of 48%.

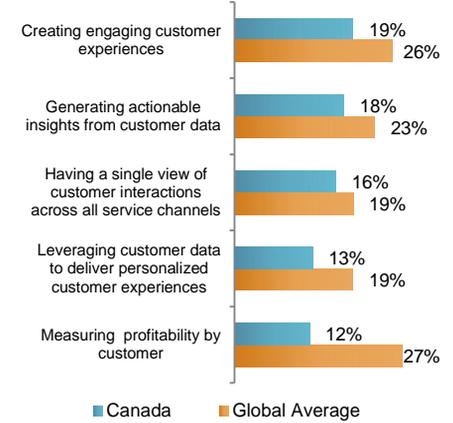
What are the key business issues that your management Board are looking for IT to address? (top 5)



Canadian management **Board priorities for IT tend to mirror those of companies globally**, with delivering consistent and stable IT performance (66%) and increasing operational efficiencies (64%) at the top of the list. Canadian Boards do place a higher priority on improving cyber security (57% vs. 49%).

Customer Capabilities

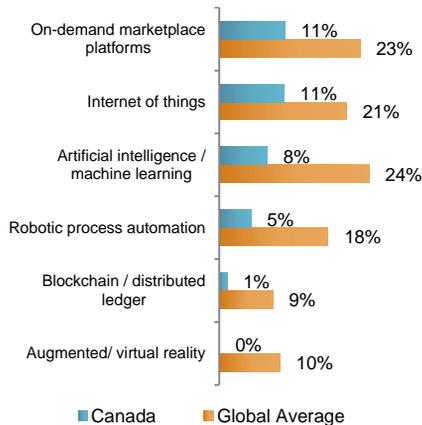
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Canadian companies **lag global peers across the board in their effectiveness in five critical customer-focused capabilities**, with no more than 19% rating themselves at least very effective at any. They are especially ineffective at measuring profitability by customer (12%).

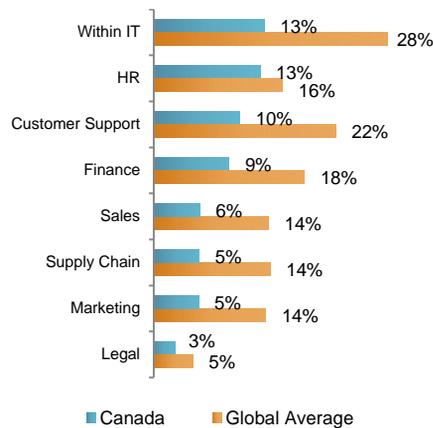
Technology & Innovation

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



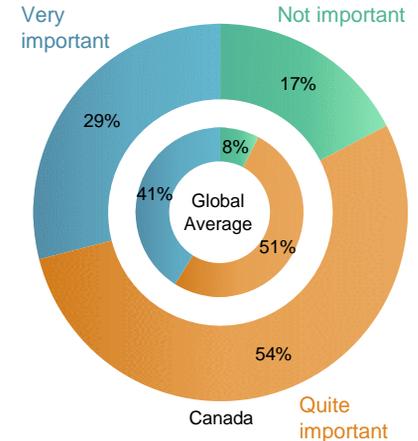
Canadian companies **have made much less significant investments in next-generation technologies** than others. However, they are most like to invest in on-demand marketplace platforms and the Internet of things (11% for both).

In which functions have you implemented digital labor / automation?



While **digital labor / automation remains in its relative infancy** both in Canada and worldwide, Canadian companies are far less likely to have implemented it across all corporate functions.

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



Canadian companies **view having an innovative culture as a less critical component in the success of their digital strategies** than others, with just 29% viewing it as very important compared to 41% globally.

Conclusion

The Canadian results of the 2018 Harvey Nash/KPMG CIO Survey reflect a strategic focus on the customer and business process efficiency. Enhancing the customer experience and increasing operational efficiencies are seen as the most important goals for businesses across Canada. Despite its high importance, just 18% of Canadian companies rate as very effective or better at using digital technologies to enhance the customer experience. They are even less effective at using digital to improve business process efficiency.

Less than half of Canadian organizations surveyed have a clear digital business strategy and vision, and only 5% have a dedicated Chief Digital Officer leading the charge. Canadian companies also lag behind businesses from other regions in integrating digital into business processes. Digital labour and automation tend to be implemented in IT, HR and customer support departments, and are slower to take hold in other functional areas. On demand marketplace platforms, IoT, and AI are the top three areas of investment this year, though Canadian companies have invested somewhat less in next generation technologies than companies globally.

The vast majority of survey participants, in Canada and globally, feel that having an innovative, experimental organizational culture is key to the success of their digital strategies. That said, more work needs to be done to successfully implement enterprise wide digital strategies. Effectively harnessing the power of digital technology and data, having leaders in place that are focused on digital strategy, and effective integration of digital across the organization will all be crucial to Canadian businesses advancing in their transformation journey.

Further information

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