

Harvey Nash/KPMG CIO Survey 2019

Seven key insights from the UK's CIOs

The Harvey Nash/KPMG CIO Survey is the largest IT leadership survey in the world, with over **3,600 respondents** in **108 countries** in 2019.

One of the striking characteristics of the survey results is the extent to which the findings are consistent across most industries and geographies – clearly IT leaders are facing common challenges and addressing common opportunities.

We have set out below the key themes which emerged from this year's UK survey data. Whilst there are still challenges to be overcome it is clear that the role of the CIO is becoming a much more value-adding one as technology becomes ever more prevalent in the day-to-day operation of the typical business and, consequently, as business change without technology change becomes ever rarer.



1. Digital disruption is being viewed as an opportunity rather than a threat

Over 40% of organisations expect to make a significant change in their business model or product/service offering in the next three years. The UK is ahead of the global average when it comes to large-scale cloud adoption, with over half of UK IT organisations having undertaken significant cloud transformations.

This should come as no surprise given that UK CIOs are being asked by their business leaders to be more focused on driving revenue growth, delivering new products/services and enhancing the customer experience than the global average.



2. The CIO is gaining influence as digital and business strategies converge

For a number of organisations, business strategy is significantly shaped by the market's ability to engage with colleagues, suppliers and customers through the use of more pervasive digital technologies. In the digital age there are very few strategic business changes that can be made without strategic IT change.

When two thirds of UK CEOs are prioritising projects which make money over projects which save money – and the IT budget is increasing for over half of UK CIOs – it is not surprising that two thirds of CIOs believe their role is becoming more strategic within their organisation.

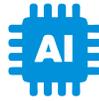
However, UK CIOs still recognise the challenge ahead, with only one in four feeling that there is sufficient collaboration between business leaders and IT to deliver technology change in a very effective manner.



3. Gender diversity initiatives are in place but not effective

Although seven out of eight organisations feel that they have been successful at promoting inclusion and diversity in their technology teams we still see six out of ten organisations with less than 30% of their technology teams being female.

The gender mix in IT leadership and other IT roles has not changed significantly for a number of years, now is the time for UK organisations to challenge themselves and ask if their diversity promotion activities are part of their long-term plan.



4. AI will replace existing roles and create demand for new skills and talent

Only 10% of respondents do not see AI taking over any existing roles within the next five years, but overall there seems to be a strong sense of optimism about the potential impact of AI in the workplace; two thirds of respondents expect newly-created jobs to more than compensate for those lost to AI.

However, skills shortages in this area are already being felt, with a third of UK respondents flagging AI as an area where they lack resources. The key skills needed to support an AI implementation (big data/analytics, technical architecture, business analytics and cyber security) are also in high demand.

With 52% of CIOs expecting their organisation to grow in size but only 39% able to retain key staff to a great extent, it looks as though recruitment activity will be increasing significantly over the next few years.



5. With board support CIOs are growing more confident about cyber threats

For the third year running, the threat of organised cyber-crime remains a primary concern of our IT leaders. High profile attacks have the ability to damage organisations in fundamental ways, and getting genuine support and buy-in from C-suite executives that understand the value of a cyber strategy can make all the difference.

The research goes on to suggest that UK CIOs are feeling well positioned to identify and deal with probable cyber-attacks. Although an organisation can never claim to be entirely safe from cyber threats, a third of CIOs are confident that 'all reasonable risks are covered' and almost two thirds believe 'most reasonable risks are covered'. Worryingly there are still a small proportion (9%) of the UK's CIOs reporting that they are insufficiently 'exposed to a cyber-attack in multiple areas', but in total the number of CIOs reporting a major attack in the last two years has levelled out this year, from 35% in 2018 to 32% in 2019.



6. Customer-centricity is linked to greater profitability

The report shows that the most influential and effective CIOs are the ones who focus their digital strategies on their customers – enhancing customer experience and favouring customer/revenue growth over inward-facing activities. This is true of CIOs in the UK and globally.

Almost half (47%), of customer-centric CIOs are focused on ‘driving revenue growth’ in comparison to the global average of 38%. They are also more likely to spend time ‘developing innovative products and services’ and ‘improving time to market’. Prioritising the needs of the customer and driving revenue is a key differentiator for these organisations, and whilst they are less likely to focus on ‘improving business processes’, ‘saving costs’ and ‘increasing operational efficiencies’ they are still 38% more likely to report greater profitability than others.



7. Data strategy is the new digital strategy

89% of UK CIOs agree that ‘the way organisations manage and use customer data will become just as important as product/service quality when attracting customers’. This has a number of implications for businesses’ digital strategies which must focus both on the safeguarding of customer data and building trust, whilst also looking to extract the maximum insight and value from the vast amounts of data that advances in technology now allow them to collect.

It’s somewhat unsurprising that a year after new GDPR regulations were introduced, followed by a number of high-profile data breaches hitting the deadlines, there is a growing concern amongst consumers on the issue of how their data is managed, maintained and leveraged. Whilst 37% of CIOs believe they are very effective at building customer trust through the service delivered to customers and end-users, only 14% claim to be very effective at maximizing the value of the data that they hold, suggesting that those who can mine their data for valuable customer and business insights will have a decided advantage.

To download the full 2019 CIO Survey report visit:



www.home.kpmg/uk/cio-survey-2019

Contact us

If your business is seeking ways to leverage technology as a source of innovation and competitive growth, we can help.



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