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 Transport/Logistics industry snapshot provides survey responses from 144 IT leaders on some of the key topics, and highlights several areas where this industry’s responses differed significantly from those across all industries.

### Digital Strategy

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

- **Yes, enterprise-wide**: Transport / Logistics - 24%, All Industries - 49%
- **Yes, within business units**: All Industries - 32%, Transport / Logistics - 24%
- **No**: All Industries - 27%, Transport / Logistics - 41%

Transport / Logistics companies are less likely to maintain an enterprise-wide digital business strategy than others (24% vs. 32% for all industries). Overall, only half have a clear digital strategy of any sort.

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

- **Yes**: Transport / Logistics - 7%, All Industries - 11%
- **Yes, CIO or someone else in that role**: Transport / Logistics - 41%, All Industries - 39%

48% of Transport / Logistics companies have a CDO or equivalent, with 7% having a dedicated CDO, and 41% with a CIO or equivalent. Overall, Transport/Logistics is on a par with all industries in having a single executive lead digital strategy.

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

- **Improving business process efficiency**: Transport / Logistics - 68%, All Industries - 54%
- **Enhancing the customer experience**: Transport / Logistics - 61%, All Industries - 60%
- **Growing revenue from existing customers**: Transport / Logistics - 58%, All Industries - 52%
- **Attracting new customers**: Transport / Logistics - 42%, All Industries - 55%
- **Developing new products and services**: Transport / Logistics - 39%, All Industries - 49%
- **Developing new delivery/distribution methods**: Transport / Logistics - 24%, All Industries - 27%

When prioritizing digital investments, Transport / Logistics companies heavily focus on improving business process efficiency (68% vs. 54% for all industries) and enhancing the customer experience (61% vs. 60%).

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

- **Transport / Logistics**: Improve business process efficiency - 26% (Very), 28% (Extremely), All Industries - 22% (Very), 28% (Extremely)
- **Transport / Logistics**: Enhance the customer experience - 14% (Very), 16% (Extremely), All Industries - 18% (Very), 22% (Extremely)
- **Transport / Logistics**: Grow revenue from existing customers - 15% (Very), 20% (Extremely), All Industries - 18% (Very), 22% (Extremely)
- **Transport / Logistics**: Attract new customers - 27% (Very), 32% (Extremely), All Industries - 28% (Very), 33% (Extremely)
- **Transport / Logistics**: Develop new products and services - 20% (Very), 25% (Extremely), All Industries - 22% (Very), 27% (Extremely)
- **Transport / Logistics**: Develop new delivery/distribution methods - 13% (Very), 19% (Extremely), All Industries - 15% (Very), 21% (Extremely)

While Transport / Logistics slightly trails cross-industry peers in its effectiveness in using digital to improve business process efficiency (26% vs. 28% for all industries), it leads others in using it to enhance the customer experience (32% vs. 27%).

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

- **Understanding the impact of digitization on your industry**: Transport / Logistics - 47%, All Industries - 48%
- **Integrating core business systems with newer digital solutions**: Transport / Logistics - 26%, All Industries - 32%
- **Relying upon an overall digital vision to guide decisions**: Transport / Logistics - 25%, All Industries - 32%
- **Redesigning business processes to take advantage of digital technologies**: Transport / Logistics - 13%, All Industries - 24%
- **Hiring and developing people with digital skills**: Transport / Logistics - 12%, All Industries - 24%

Transport / Logistics lags behind other industries with respect to effectiveness in key digital capabilities. Transport/Logistics is most effective at understanding the impact of digitization (on a par with all industries), but struggles with hiring and developing people with digital skills (12% vs. 24%).

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

- **Transport / Logistics**: Not/ slightly effective - 39%, Very extrememly effective - 20%
- **All Industries**: Not/ slightly effective - 36%, Very extrememly effective - 22%
- **All Industries**: Moderately effective - 42%

Similar to other industries, Transport / Logistics companies report low overall effectiveness in using digital technologies to advance business strategy, with just 20% describing their digital strategy as very effective or better, and 39% describing it as slightly effective or not effective.
Looking forward, over the next 12 months, what do you expect your IT budget to do?

- Transport / Logistics: 33% Stay the Same, 52% Increase, 15% Decrease
- All Industries: 38% Stay the Same, 48% Increase, 14% Decrease

Transport / Logistics companies are somewhat more optimistic about their IT budgets than other industries, with 52% expecting an increase in their IT budgets, higher than the cross-industry average of 48%.

**Technology & Innovation**

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

- Internet of things: 21%
- Artificial intelligence / machine learning: 24%
- On-demand marketplace platforms: 16%
- Robotic process automation: 18%
- Augmented/ virtual reality: 10%
- Blockchain / distributed ledger: 9%

Of next-generation technologies, Transport / Logistics companies have invested significantly more in the Internet of Things than others (30% vs. 21% for all industries), with modest investments in most other technologies.

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

- Delivering consistent and stable IT performance to the business: 72%
- Increasing operational efficiencies: 67%
- Improving business processes: 65%
- Enhancing the customer experience: 59%
- Developing innovative new products and services: 58%

Compared to priorities in other industries, Transport / Logistics management Boards have more heavily emphasize "core" IT goals such as delivering consistent and stable IT performance (72% vs. 62% for all industries), increasing operational efficiencies (67% vs. 61%) and improving business processes (65% vs. 62%).

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

- Measuring profitability by customer: 29%
- Creating engaging customer experiences: 26%
- Generating actionable insights from customer data: 23%
- Leveraging customer data to deliver personalized customer experiences: 19%
- Having a single view of customer interactions across all service channels: 19%

Like other industries, Transport / Logistics companies lack effectiveness in five critical customer-focused capabilities, with no more than 29% rating themselves very effective in a specific capability. Despite investment in enhancing the customer experience, Transport / Logistics companies rate themselves weakest at leveraging data to deliver personalized experiences and having a single view of interactions across all service channels (19%).

In which functions have you implemented digital labor / automation?

- Within IT: 26%
- Customer Support: 19%
- Supply Chain: 17%
- Finance: 15%
- Sales: 14%
- HR: 12%
- Marketing: 10%
- Legal: 5%

Digital labor remains in its relative infancy both in Transport / Logistics and elsewhere. Like other industries, Transport / Logistics companies have focused digital labor / automation efforts within IT (26% vs. 28% for all industries) and in Customer Support (19% vs. 22%).

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

- Very important: 36%
- Not important: 11%

As with companies in other industries, Transport / Logistics companies view having an innovative culture as a critical component in the success of their digital strategies, with 89% viewing it as very or quite important.

**Conclusion**

Transport & Logistics sector companies are accelerating their investment in digital at pace, responding to a variety of push and pull factors including: keeping pace with significant advances in Artificial Intelligence and Automation (e.g. Autonomous Vehicles), competition from digital disruptors, meeting constantly-evolving customer expectations in delivering digital experiences; and, delivering more capacity without building extra infrastructure or procuring new fleet.

However this investment continues to be predominantly within silos, both from a business unit perspective (especially within federated groups and multi-agency transport authorities) and across services (predominantly customer, asset / fleet management and network operations). There is a clear need for enterprise-wide digital strategies to deliver pan-organizational benefits. Investments in platforms and apps also require investment in capabilities to exploit the data being generated (e.g. to create singular views of customers and design & deliver personalized experiences).

This said, investment in technology by Transport / Logistics sector companies is now being recognized in the market, changing the paradigm on the ability to recruit and retain the best digital skills.

**Further information**

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