2019: The year of digital decisions
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Foreword from DXC Technology

Welcome,

We expect 2019 to be a turning point for many organizations. Decisions you make in 2019 will determine your ability to execute on digital strategies. That’s because digital transformation has now become more than just a good idea. It’s a pre-requisite for every organization planning to compete and survive in the 21st century.

Business and technology leaders are embarking on their most rapid, dramatic and sophisticated transformation in decades, investing in technologies such as cloud computing, mobile and applications. But they’re also exploring emerging technologies and architectures that include artificial intelligence, machine learning, the internet of things, serverless computing and more.

To explore this issue on the ground, we recently commissioned The Economist Intelligence Unit to survey more than 600 senior executives at large organizations worldwide. We wanted to know what these leaders consider their most important business drivers for digital transformation, key technologies, their organizational changes, and more.

Here’s just some of what our survey has found:

- **Organizations are investing more.** Over 80 percent of respondents expect to increase their investment in digital technologies in the next 12 months.

- **Digital delivers profit.** More than two-thirds of respondents say their organization’s profitability has increased over the past 3 years thanks to its digital strategy. Nearly three-quarters expect it to rise in the next 3 years. Our clients say putting together a strong business case still remains challenging, but is central to their success.

- **Cultural transformation is fundamental to going digital.** At least 40 percent of respondents say important initiatives include organizational change, identifying breakthrough strategies to recruit and train digital talent, a strong commitment from C-level executives and activating a digital task force.

- **Digital transformation is a competitive game-changer.** More than 70 percent of senior executives expect their digital strategies to lead to greater agility. More than 75 percent say a modern IT infrastructure positions their organization to produce stakeholder value.

- **Most organizations are still taking baby steps.** While digital transformation can deliver value by bringing together data and analysis, most organizations are still in the early stages of adopting such a strategy. Fewer than one in three respondents say their business units are “Digitally enabled.”

No matter where you are on your journey, this research will help you compare your progress and goals with those of other executives and organizations. The transformation to digital is not an end state. Your competitors are continually evolving their digital strategies. Everyone must continue to evolve and move forward. We hope you find the report an informative and helpful guide as you continue to drive change in your organization.

Jim Smith
Executive Vice President, Digital Transformation and Customer Advocacy, DXC Technology

Richard Davies
Managing Director, Leading Edge Forum, and Digital General Manager, DXC Technology
Introduction

With digital transformation sweeping across companies and industries, 2019 will be a year of decision-making and profound change. Companies overwhelmingly recognize that digital transformation is now a requirement for them to compete and succeed. Most are determined to take the next steps in their transformational journeys to drive growth and produce better business outcomes.

“Technological competitiveness means we can think about our IT, business and data architecture in more interesting ways,” says Zaka Mian, group director of transformation at Lloyds Banking Group. “If this is what we’re trying to do strategically with our customers, then how does our architecture, in all its guises, mesh with that?”

Figure 1: To what extent are the following business outcomes a priority for your organisation’s digital strategy?

<table>
<thead>
<tr>
<th>Business Outcome</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased employee efficiency and productivity</td>
<td>44</td>
</tr>
<tr>
<td>Improved ability to meet customer demands</td>
<td>43</td>
</tr>
<tr>
<td>Cost savings</td>
<td>42</td>
</tr>
<tr>
<td>Improved quality of information available to decision-makers</td>
<td>37</td>
</tr>
<tr>
<td>More effective use of data sharing across functions/geographies</td>
<td>32</td>
</tr>
<tr>
<td>Greater flexibility in technology adoption/transitioning from legacy applications</td>
<td>27</td>
</tr>
<tr>
<td>Heightened competitive positioning</td>
<td>26</td>
</tr>
<tr>
<td>Improvement in research and development (R&amp;D)</td>
<td>25</td>
</tr>
<tr>
<td>Producing greater value for stakeholders/improved return on investment</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Economist Intelligence Unit, 2018.
Digital transformation entails bringing information into the fabric of every transaction with a client, partner, employee or process. To do so, digital enterprises are deploying new tools, communities, ecosystems and a technology platform that enables rapid information sharing.

To explore how companies are achieving digital transformation and what strategies they hope will help them attain it, The Economist Intelligence Unit conducted a global survey of more than 600 board and C-suite members and other top executives at companies with annual global revenue of US$500m and above (see “About the research” sidebar, page 6).

Our survey findings highlight digital transformation as perhaps the most rapid, dramatic and sophisticated effort at reinvention that major businesses have attempted in many decades, and their strong commitment to making it happen.

Sixty-eight percent of respondents say their organization’s annual profitability has increased over the past three years thanks to its digital strategy and 74% say they expect it to rise over the next three years.

“We strongly believe that we can make the customer experience easier and simpler while leading to better outcomes through digital technology, and that will continue to drive our market share,” says Neesha Hathi, executive vice president and chief digital officer at Charles Schwab. “Digital transformation also helps us scale our services while driving down costs for our clients.”

The vast majority of companies plan to increase their investment in digital technologies in the coming year: 83% of respondents expect their organization to do so, with 41% looking at an increase of 11% or more. What they plan to do with that investment represents perhaps the most dramatic finding of our study, however.

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**Figure 2: How do you expect your organisation’s investment in digital technologies to change in the coming year?**

Select one (% respondents)

<table>
<thead>
<tr>
<th>Change in Investment</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>1</td>
</tr>
<tr>
<td>Remain the same</td>
<td>16</td>
</tr>
<tr>
<td>Increase up to 10%</td>
<td>43</td>
</tr>
<tr>
<td>Increase 11-20%</td>
<td>29</td>
</tr>
<tr>
<td>Increase 21% or more</td>
<td>12</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>
At present, 52% of respondents have digitally enabled three key organizational functions, according to the research. But within the next three years, companies across industries, geographies and size groups intend to greatly ramp up their efforts, with the result that at least six of the ten functions asked about in the survey will be digitally enabled at well over half of all companies. Business units, management, strategy and R&D/Innovation are the areas that will see the greatest progress.

Accompanying this vast change is a parallel—and rapid—drive to harness more sophisticated technologies. Thirty-six percent of survey respondents say that artificial intelligence (AI) and machine learning (ML) have played a significant role in their organization’s digital strategy and 45% say it will do so over the next three years (see sidebar, page 9). Meanwhile, companies are assigning less importance in their future plans to more familiar digital tools and processes, such as the Internet of Things (IoT), social media and collaborative tools, many of which are already fully integrated into their business strategy.

What do companies aim to achieve by digitally remaking themselves—functionally and business-wise—and by racing to up their analytic game virtually simultaneously? To find out, our survey took a closer look at their goals, the deficiencies they still have to overcome and the cultural changes they need to implement.

About the research

In September-October 2018 The Economist Intelligence Unit surveyed 621 senior executives to discover where companies are in their digital development and what they want to achieve with it. The survey is sponsored by DXC Technology and Leading Edge Forum, DXC’s independent cross-industry think tank.

The survey sample comprises a senior group: roughly half (48%) of the respondents are members of the C-suite; the other half (52%) are directors and above (eg, executive vice presidents, managing directors).

The survey is global in scope with companies ranging in size from US$500m to US$5bn or more in annual revenue.

Respondents are widely distributed across industries—healthcare, manufacturing, retail and insurance are the biggest sectors represented—and functions.
A competitive game-changer

Survey respondents cite many ways that digital transformation can improve their creativity, efficiency, profitability and, ultimately, their competitiveness. An overwhelming 75% say it will lead to greater agility, and 76% report that a modern digital IT infrastructure better positions their company to produce value for its stakeholders.

Companies based in developing regions (Brazil, Mexico, UAE and South Africa) in particular appear to believe that digitally enabling more of their functional and business areas will help them leapfrog into a more competitive position vis-à-vis their European and North American rivals.

Greater creativity, efficiency and agility all help to augment your company’s brand, wherever it is based—a key concern at a time when digital transformation is disrupting many long-time, powerful brands.

“Always, it’s brand-value focused,” says Jon Carney, CDO EMEA at McCann Worldgroup, of his firm’s work with its communications and marketing clients on digital strategy. “What is the meaningful role for brands in a digital economy?”

Baby steps
Companies need a strategy that enables them to add value by bringing data and analytics together in ways that directly address clients’ needs. Most are still in the early stages of adopting and implementing such a strategy, however. Nearly 60% of survey respondents say such a strategy has been in place for two years or less at their organization. Operations is the only area in which more than half of survey respondents (51%) say their organization is digitally enabled, and only finance (48%) and sales and marketing (46%) come close. A mere 30% say their business units are digitally enabled. The figures are consistently lower for companies that have had a digital strategy in place for two years or less.

“A co-operative ecosystem”
But all survey respondents say they are making rapid progress—and expect it to continue. Already, three-quarters of companies say their digital strategy is central to their business strategy, and the figures run even higher in financial services, technology and manufacturing.

“We don’t have a separate digital strategy...We have a strategy that sits in the digital world throughout our business.”
Jon Carney, CDO EMEA, McCann Worldgroup

“We don’t have a separate digital strategy,” says Mr Carney. “We have a strategy that sits in the digital world throughout our business.” The firm has CDOs or senior management teams focused on digital transformation regionally and globally, which are responsible for incorporating it into product and service development, and a half-dozen centers of excellence around the world that work with business leaders and creative teams in each region. “It has to be a co-operative ecosystem,” says Mr Carney, with the CDO focused on strategy and working highly collaboratively with marketing specialists in each area.
Digital and business strategy formulation are completely or almost completely aligned at 72% of companies, survey respondents say, and the figures are similar for planning cycles and implementation (75%). But even this does not fully capture the transformation that companies expect to make across every aspect of their organization in the next three years. As we noted earlier, in only one area—operations—do even half of companies claim to be digitally enabled today, and just barely.

In the next three years, all of this is expected to change. Seventy-three percent of companies expect operations to be digitally enabled, followed by finance (69%), sales and marketing (68%), management (66%) and strategy (64%). Over half (58%) say their business units will be digitally enabled.

Priorities: it depends
Digital transformation encompasses multiple technologies and process changes, however, from cloud computing to IoT to advanced processes like AI and ML to consumer and client services like mobility, applications modernization and social media.

Figure 3: Which of the following technologies and practices, if any, do you expect will have played a significant role in your organisation’s digital strategy three years from now?
Select all that apply (% respondents)

- Artificial intelligence (AI)/Machine learning: 40%
- Cloud computing: 43%
- Applications modernisation: 38%
- Predictive analytics: 37%
- The Internet of Things: 37%
- Process automation: 37%
- Collaboration tools: 35%
- Blockchain: 34%
- Social media: 32%
- Augmented reality/Virtual reality: 32%
- Robotics: 32%
- Mobility: 30%
- None of the above: 0%
- Don’t know: 0%
The aspects of digital strategy companies will emphasize over the next three years depend heavily on the industry, size and location of the individual company. Financial services companies are more likely to stress AI/machine learning (57%) and blockchain (51%) while, for manufacturing companies, cloud computing (50%) and IoT (48%) are especially important.

Social media will be a somewhat higher priority for retailers than for other industries, given the importance to them of developing digital channels for sales and marketing. These tools play a growing role at marketing and communications firms as well.

“Messenger portals, especially, give us the opportunity to develop relationships in interesting ways,” says Mr Carney. McCann Worldgroup identified social optimization about a year ago as a key area in which to invest. “We’re able to tap into people’s passion points, whether it’s food, automobiles or beauty, and be part of that conversation. That’s already integral to a number of brands, and it wasn’t around five years ago.”

**Getting analytical**

A major shift in digital emphasis is taking place: As companies’ experience with digital transformation lengthens and deepens, they are becoming more sophisticated digital practitioners. Across industries, revenue rankings and industries, the focus on sophisticated analytical, processing and transactional technologies, including AI and ML, blockchain, augmented and virtual reality, and robotics, will be rising over the next year.

For example, AI and ML helped discount broker Charles Schwab launch a robo-advisory service, Schwab Intelligent Advisory, in 2015. The service tailors investment advice, tips and trigger notices to the client’s individual profile and portfolio. “We’ve been able to democratize advice for people who otherwise wouldn’t have access to a high-end financial adviser,” says Ms Hathi.

Yet, some of the most prominent areas of digital transformation today will enjoy much less emphasis going forward, according to the research.

Fifty percent of companies say cloud computing plays a significant role in their digital strategy today; that figure falls to 43% when survey respondents look out three years. Social media, tagged as significant by 39% of companies today, falls to 32%, and mobility drops from 38% to 30%.

This suggests that as companies become more digitally proficient, they will quickly refocus on areas that enable them to make more powerful use of the greater amounts of data they collect—and that they see this as the surest route to building or maintaining their competitive position.
Commitment doesn’t necessarily equal accomplishment.

Companies across the board are concerned about a wide range of potential stumbling blocks to implementing an effective digital strategy. More than half (55%) of survey respondents worry that they are not making optimal use of digital technologies within their organization. Surprisingly, financial services companies, reputedly among the most advanced at digital transformation, are especially concerned. And almost two-thirds (64%) of all respondents say their company is likely to be disrupted by competitors with superior digital strategies.

Not every company in every industry can or should move forward at the same pace, however, even when its customers and suppliers may be moving much faster. “Of course, we want to encourage change, but in healthcare, so many decisions affect the health and welfare of individuals,” says Kristin Darby, CIO at Cancer Treatment Centers of America (CTCA).

Nevertheless, when we explore the basis for survey respondents’ concerns, we see some troubling signs. Asked to select the top three barriers to implementing a digital strategy at their company, 40% of respondents cited security concerns, cost or lack of funding and 33% lack of a tech-savvy workforce. Cost or lack of funding is an especially big concern at North American and Asia Pacific-based companies.

**Leadership deficit**

Whether companies are adequately equipped to tackle these problems and judge the success of their digital strategy going forward is doubtful as well.

Many survey respondents worry that their company’s digital strategy is not clearly differentiated from its other technology initiatives. More than half (53%) agree that at their organization “digital strategy” is just a change in terminology from “IT strategy,” with no substantial difference.

One reason for the absence of a clear strategic profile may be that many companies lack a strong, dedicated leadership focused on implementing it. Asked what areas will be most critical to their organization’s digital decision-making in the coming year, survey respondents place identifying and activating a digital leadership or task force dead last. The response is especially low for companies in developing markets, financial services companies and companies that have been implementing their digital strategy for less than two years. In no category—even technology/IT companies—was it notably high.

**Where are the KPIs?**

Measuring their success at digital transformation is another deficiency at many companies.

One of the most valuable assets provided by digital tools and processes, especially AI and ML, Mr Carney says, is the ability to measure the impact and efficacy of a product or service or, in McCann’s case, of a campaign. “It makes us more valuable to the client,” he says, “since we can link our work directly to the outcome.” Yet survey respondents place developing key performance indicators (KPIs) that reflect multiple stakeholders close to the bottom of their priority list for the coming year.
Culture shock

Digital transformation is as much a cultural as a technological endeavor, however, one that involves every level and facet of the organization. Seventy-two percent of survey respondents agree that a change in culture is necessary to digitally transform any organization. That figure is even higher for companies in developing regions and those that have implemented a digital strategy only in the past two years.

“There’s a cultural shift we have to make—changing the way we work, challenging us to do things differently—and that’s no mean feat for an incumbent organization,” says Zaka Mian of Lloyds Banking Group.

No two companies agree completely on how to create a culture that will successfully implement their digital strategy. Survey respondents consider the following elements to be essential:

- Treating risk, security and compliance as a key influence on design (51%)
- Defining digital strategy and direction (48%)
- Providing clear guidance and a clear explanation of the strategy and its impact on the organization (48%)
- Encouraging cross-functional collaboration (48%)
- Ensuring appropriate levels of data literacy in all roles (43%)
- Experimenting with new digital processes and solutions by beta-testing them with limited groups (41%)

Executing digital strategy at lightning speed
Determining which elements are most important to your company will depend on the stage it has reached in its digital transformation. Companies that are further advanced—for example, those headquartered in North America and Europe and those in the financial services and manufacturing industries—tend to place more emphasis on encouraging cross-functional collaboration, possibly because this helps them to optimize the digital investment they’ve already made. Defining digital strategy and ensuring appropriate levels of data literacy, though, are cited more often as an essential element by Asia Pacific-based companies, which tend to be earlier in their digital development.
Cultural change is urgent particularly due to the speed with which companies plan to introduce new
digital features and processes. Respondents named each of the following initiatives as being among
the most critical in the coming year:

- Implementing wider business process or organizational changes
  the company’s digital strategy may require (38%)
- Introducing digital features into product offerings (eg, the IoT, mobile tools) (34%)
- Increasing collaboration between functional and business areas (34%)
- Assessing and adopting new digital tools (eg, AI, blockchain) (32%)
- Working with clients and employees to leverage digital offerings (31%)
- Recruiting more digital-savvy employees and consultants (29%)
- Having a strong commitment by the C-suite and board to lead development
  and implementation (27%)
- Becoming a more data-driven organization (27%)
- Adopting KPIs that reflect multiple stakeholders (24%)
- Identifying and activating a digital leadership or task force (24%)

“Digital in their soul”
Companies need people who have the skills and mindset to help constantly retool their culture to create
products and solutions with a stronger technology element. “We want digital talent who are deeply digital
in their soul,” says Mr Carney. “They need to have a broad understanding of communications, but the
important thing is that they have a passion about digital solutions that we can all deploy and use.”

The range of digital experts companies need is widening. McCann, for example, hires data scientists,
creative technologists who have technological training but also an understanding of the marketing field
that enables them to work with producers, and social marketers who understand how to build platforms
that appeal to consumers.

Accordingly, recruitment of digital-savvy employees is likely to remain a constant need. “Having the
right talent, retaining and attracting it, will continue to be very high,” says Ms Hathi at Schwab. “Even
when the market turns, it will remain high.”
Conclusion: digital strategy rewarded

83% of companies expect to increase their investment in digital technologies in the coming year.

Digital transformation is a work in progress—and, for most, still a relatively new endeavor. Almost certainly, however, a great deal of your company’s future success is riding on it. Across geographies and industries, companies are looking to their digital initiatives to drive scale and efficiency. It is their ticket to either remaining competitive, reviving their competitive prospects or elevating themselves into industry leaders.

The Economist Intelligence Unit’s research revealed five key principles for companies adapting to the new landscape of digital transformation:

- **Digital transformation requires cultural transformation.** Seventy-two percent of survey respondents agree on this point. Transformation starts with clearly defining your digital strategy and ensuring the level of digital literacy at every relevant role that will enable it to succeed.

- **Digital transformation requires investment.** Companies recognize that making it work requires financial commitment: 76% of survey respondents overall agree that cost savings from IT services modernization can help fund their digital strategy, for example.

- **Digital transformation depends on people.** Recruiting digital-savvy employees and deploying them in roles where they are likely to have the greatest impact on their co-workers are essential to cultural transformation. Yet this appears to be difficult for many companies. As we noted earlier, a third of survey respondents cite lack of a digital-savvy workforce a major barrier to implementing their digital strategy.

- **Digital transformation can’t be a headlong process.** Be sure that at each step of transformation you are making optimal use of digital technologies and that innovations and older processes and systems mesh efficiently. Developing metrics to evaluate your progress is essential.

- **Digital adoption does not stand still.** Your competitors are already looking for the next, more sophisticated tool or process that could enable them to leapfrog the rest of their industry. You need to be doing the same.

Our research points to digital strategy as an increasingly important aspect of business strategy at an expanding group of companies—next year, in the next three years, and for a long time to come. Getting it right, however, will be a continuing challenge to ensure that digital investment turns into growth opportunities and better business outcomes for all those served by the enterprise.
Appendix: survey results
Q1. In which country are you personally located?
Select one (% respondents)

- Australia: 7%
- Brazil: 4%
- Canada: 13%
- China: 6%
- France: 4%
- Germany: 7%
- India: 7%
- Italy: 4%
- Japan: 5%
- Mexico: 4%
- Singapore: 6%
- South Africa: 2%
- Spain: 4%
- Sweden: 2%
- United Arab Emirates: 2%
- United Kingdom: 7%
- United States: 16%

Q1. In which region are you personally located?
Select one (% respondents)

- Latin America: 11%
- North America: 29%
- APAC: 29%
- Europe: 31%
Q2. What is your organisation’s primary industry? Select one (% respondents)

- Automotive: 8
- Financial services: 9
- Insurance: 17
- Healthcare & Life sciences/Pharmaceuticals/Biotechnology: 16
- Manufacturing: 16
- Retail: 17
- Technology/IT: 9
- Transportation/Warehousing + Travel, tourism and leisure: 8

Q3. What is your organisation’s annual global revenue in US dollars? Select one (% respondents)

- Less than US$500m: 0
- US$500m to less than US$1bn: 42
- US$1bn to less than US$5bn: 46
- US$5bn or more: 12
- Do not care to respond: 0

Q4. Which of the following best describes your title? Select one (% respondents)

- C-Suite: 48
- Director/VP+: 52
Q5. What is your main functional role?
Select one (% respondents)

- Finance: 17%
- General mgmt (incl. sales and marketing): 16%
- HR: 17%
- IT/tech: 16%
- Operations: 17%
- Strategy: 17%

Q6. At what stage of development or implementation is your organisation’s digital strategy?
Select one (% respondents)

- I am not familiar with my organisation’s digital strategy: 0%
- Still under development: 0%
- Planning to implement in the coming year: 0%
- Implemented in the past year: 30%
- In place for one to two years: 30%
- In place for two to three years: 19%
- In place for more than three years: 21%
- Don’t know: 0%

Q7. To what extent are the following business outcomes a priority for your organisation’s digital strategy?
Select the top three (% respondents)

- Increased employee efficiency and productivity: 44%
- Improved ability to meet customer demands: 43%
- Cost savings: 42%
- Improved quality of information available to decision-makers: 37%
- More effective use of data sharing across functions/geographies: 32%
- Greater flexibility in technology adoption/transitioning from legacy applications: 27%
- Heightened competitive positioning: 26%
- Improvement in research and development (R&D): 25%
- Producing greater value for stakeholders/improved return on investment: 23%
- Other, please specify: 0%
Q8. In your view, in which of the following business outcomes has your organisation’s digital strategy had the greatest impact thus far?

Select one for each row (% respondents)

- **Producing greater value for stakeholders/improved return on investment**
  - Strongly agree: 26
  - Moderate impact: 35
  - High impact: 27
  - Don’t know: 2

- **Heightened competitive positioning**
  - Strongly agree: 28
  - Moderate impact: 33
  - High impact: 30
  - Don’t know: 1

- **Increased employee efficiency and productivity**
  - Strongly agree: 22
  - Moderate impact: 36
  - High impact: 34
  - Don’t know: 1

- **Improved ability to meet customer demands**
  - Strongly agree: 19
  - Moderate impact: 36
  - High impact: 38
  - Don’t know: 1

- **Cost savings**
  - Strongly agree: 23
  - Moderate impact: 36
  - High impact: 32
  - Don’t know: 2

- **Improved quality of information available to decision-makers**
  - Strongly agree: 25
  - Moderate impact: 32
  - High impact: 36
  - Don’t know: 1

- **More effective use of data sharing across functions/geographies**
  - Strongly agree: 23
  - Moderate impact: 36
  - High impact: 31
  - Don’t know: 1

- **Greater flexibility in technology adoption/transitioning from legacy applications**
  - Strongly agree: 25
  - Moderate impact: 35
  - High impact: 30
  - Don’t know: 1

- **Improvement in R&D**
  - Strongly agree: 26
  - Moderate impact: 32
  - High impact: 26
  - Don’t know: 2

Q9. To what extent do you agree with each of the following statements?

Select one for each row (% respondents)

- **“Digital” describes any move away from a “traditional” process to one enabled by technology**
  - Strongly disagree: 4
  - Somewhat disagree: 15
  - Neutral: 38
  - Somewhat agree: 38
  - Strongly agree: 37
  - Don’t know: 37

- **Digital transformation is now a requirement for companies to compete and succeed**
  - Strongly disagree: 3
  - Somewhat disagree: 14
  - Neutral: 39
  - Somewhat agree: 42
  - Strongly agree: 4
  - Don’t know: 1

- **Cost savings from IT services modernisation can help fund digital transformation and investment**
  - Strongly disagree: 6
  - Somewhat disagree: 17
  - Neutral: 41
  - Somewhat agree: 34
  - Strongly agree: 1
  - Don’t know: 1

- **Digital transformation is inextricably linked to business transformation**
  - Strongly disagree: 6
  - Somewhat disagree: 19
  - Neutral: 39
  - Somewhat agree: 35
  - Strongly agree: 1
  - Don’t know: 1

- **Agility is a leading benefit of a well-managed digital transformation**
  - Strongly disagree: 5
  - Somewhat disagree: 19
  - Neutral: 38
  - Somewhat agree: 37
  - Strongly agree: 1
  - Don’t know: 1

- **Security is a major stumbling block in implementing a digital transformation**
  - Strongly disagree: 2
  - Somewhat disagree: 6
  - Neutral: 37
  - Somewhat agree: 37
  - Strongly agree: 33
  - Don’t know: 1

- **A modern digital IT infrastructure better positions a company to produce value for stakeholders**
  - Strongly disagree: 1
  - Somewhat disagree: 5
  - Neutral: 39
  - Somewhat agree: 37
  - Strongly agree: 37
  - Don’t know: 1

- **Cultural change is necessary in order to achieve digital transformation**
  - Strongly disagree: 1
  - Somewhat disagree: 5
  - Neutral: 37
  - Somewhat agree: 37
  - Strongly agree: 36
  - Don’t know: 1
### Q10. Which of the following are essential to implementing your organisation’s digital strategy?
Select all that apply (% respondents)

<table>
<thead>
<tr>
<th>Option</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treating risk, security and compliance as a key influence on design</td>
<td>51</td>
</tr>
<tr>
<td>Defining an organisation’s digital strategy/direction</td>
<td>48</td>
</tr>
<tr>
<td>Providing clear guidance/explanation of the strategy and its impact on the organisation</td>
<td>48</td>
</tr>
<tr>
<td>Encouraging cross-functional collaboration to better understand the organisation’s digital requirements</td>
<td>48</td>
</tr>
<tr>
<td>Ensuring appropriate levels of data literacy in all roles at the organisation</td>
<td>43</td>
</tr>
<tr>
<td>&quot;Beta testing&quot; new digital processes and solutions with limited groups before deciding to adopt more broadly</td>
<td>41</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>0</td>
</tr>
</tbody>
</table>

### Q11. Who is the primary driver of your organisation’s digital strategy?
Select one (% respondents)

<table>
<thead>
<tr>
<th>Role</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of directors</td>
<td>9%</td>
</tr>
<tr>
<td>CEO</td>
<td>21</td>
</tr>
<tr>
<td>CFO</td>
<td>6</td>
</tr>
<tr>
<td>Chief information or technology officer</td>
<td>31</td>
</tr>
<tr>
<td>Chief digital officer</td>
<td>11</td>
</tr>
<tr>
<td>Strategic planning group or function</td>
<td>10</td>
</tr>
<tr>
<td>Another C-level executive (please specify)</td>
<td>0</td>
</tr>
<tr>
<td>Business unit or regional leaders (non-digital)</td>
<td>3</td>
</tr>
<tr>
<td>Business unit or regional digital leaders</td>
<td>3</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>

### Q12. How well aligned are each of the following pairs of processes at your organisation?
Select one for each row (% respondents)

<table>
<thead>
<tr>
<th>Process</th>
<th>1=Not at all aligned</th>
<th>2</th>
<th>3=S=Somewhat Aligned</th>
<th>4</th>
<th>5=Completely aligned</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business strategy formulation and digital strategy formulation</td>
<td>2</td>
<td>5</td>
<td>35</td>
<td>37</td>
<td>37</td>
<td>Don’t know</td>
</tr>
<tr>
<td>Planning cycles for overall business strategy and digital strategy</td>
<td>3</td>
<td>4</td>
<td>21</td>
<td>39</td>
<td>39</td>
<td>Don’t know</td>
</tr>
<tr>
<td>Overall business strategy implementation and digital strategy implementation</td>
<td>2</td>
<td>3</td>
<td>21</td>
<td>4</td>
<td>4</td>
<td>Don’t know</td>
</tr>
</tbody>
</table>
2019: The year of digital decisions

Q13. To what extent do you agree with each of the following statements about your organisation’s digital strategy? Select one for each row (% respondents)

- Strongly disagree
- Somewhat disagree
- Neutral
- Somewhat agree
- Strongly agree
- Don’t know

Our digital strategy is central to our business strategy

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>18</td>
<td>37</td>
<td>37</td>
<td>9</td>
<td>1</td>
</tr>
</tbody>
</table>

Without further digital transformation, we will be at a competitive disadvantage within three years

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8</td>
<td>17</td>
<td>36</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

We are not making optimal use of digital technologies within our organisation

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>16</td>
<td>17</td>
<td>33</td>
<td>23</td>
<td>2</td>
</tr>
</tbody>
</table>

We are likely to be disrupted by competitors with superior digital strategies

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>14</td>
<td>22</td>
<td>33</td>
<td>23</td>
<td>1</td>
</tr>
</tbody>
</table>

Our digital strategies will disrupt competitors

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>10</td>
<td>27</td>
<td>36</td>
<td>22</td>
<td>1</td>
</tr>
</tbody>
</table>

At our organisation, “digital strategy” is just a change in terminology from “IT strategy”, with no substantial difference

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>14</td>
<td>23</td>
<td>29</td>
<td>24</td>
<td>1</td>
</tr>
</tbody>
</table>

A change in culture has been critical to implementing a successful digital transformation at our organisation

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>6</td>
<td>20</td>
<td>41</td>
<td>31</td>
<td>1</td>
</tr>
</tbody>
</table>

Our legacy technologies are a hindrance to digital strategy

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Somewhat disagree</th>
<th>Neutral</th>
<th>Somewhat agree</th>
<th>Strongly agree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>16</td>
<td>27</td>
<td>28</td>
<td>25</td>
<td>1</td>
</tr>
</tbody>
</table>

Q14. Which parts of your organisation would you describe as “digitally enabled” (ie, use an appropriate range of advanced digital tools with a high degree of effectiveness to enhance their activities)? Select all that apply (% respondents)

- Operations
- Finance
- Sales and marketing
- Strategy
- Management
- Production
- Supply chain
- Human resources
- R&D/Innovation
- Business units

Q15. Which parts of your organisation do you expect will be “digitally enabled” in three years? Select all that apply (% respondents)

- Business units
- Management
- Strategy
- R&D/Innovation
- Sales and marketing
- Operations
- Finance
- Human resources
- Supply chain
- Production
- None of the above
Q16. Which of the following technologies and practices, if any, have played a significant role in your organisation’s digital strategy? Select all that apply (% respondents)

<table>
<thead>
<tr>
<th>Technology</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud computing</td>
<td>60</td>
</tr>
<tr>
<td>Applications modernisation</td>
<td>41</td>
</tr>
<tr>
<td>Process automation</td>
<td>41</td>
</tr>
<tr>
<td>The Internet of Things</td>
<td>39</td>
</tr>
<tr>
<td>Predictive analytics</td>
<td>29</td>
</tr>
<tr>
<td>Social media</td>
<td>29</td>
</tr>
<tr>
<td>Mobility</td>
<td>28</td>
</tr>
<tr>
<td>Collaboration tools</td>
<td>27</td>
</tr>
<tr>
<td>Artificial intelligence (AI)/Machine learning</td>
<td>26</td>
</tr>
<tr>
<td>Blockchain</td>
<td>23</td>
</tr>
<tr>
<td>Robotics</td>
<td>32</td>
</tr>
<tr>
<td>Augmented reality/Virtual reality</td>
<td>23</td>
</tr>
<tr>
<td>None of the above</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>

Q17. Which of the following technologies and practices, if any, do you expect will have played a significant role in your organisation’s digital strategy three years from now? Select all that apply (% respondents)

<table>
<thead>
<tr>
<th>Technology</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud computing</td>
<td>43</td>
</tr>
<tr>
<td>Applications modernisation</td>
<td>38</td>
</tr>
<tr>
<td>Predictive analytics</td>
<td>37</td>
</tr>
<tr>
<td>The Internet of Things</td>
<td>37</td>
</tr>
<tr>
<td>Process automation</td>
<td>37</td>
</tr>
<tr>
<td>Collaboration tools</td>
<td>35</td>
</tr>
<tr>
<td>Blockchain</td>
<td>34</td>
</tr>
<tr>
<td>Social media</td>
<td>32</td>
</tr>
<tr>
<td>Augmented reality/Virtual reality</td>
<td>32</td>
</tr>
<tr>
<td>Robotics</td>
<td>32</td>
</tr>
<tr>
<td>Mobility</td>
<td>30</td>
</tr>
<tr>
<td>None of the above</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>

Q18. How do you expect your organisation’s investment in digital technologies to change in the coming year? Select one (% respondents)

<table>
<thead>
<tr>
<th>Change</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease</td>
<td>1</td>
</tr>
<tr>
<td>Remain the same</td>
<td>16</td>
</tr>
<tr>
<td>Increase up to 10%</td>
<td>43</td>
</tr>
<tr>
<td>Increase 11-20%</td>
<td>29</td>
</tr>
<tr>
<td>Increase 21% or more</td>
<td>12</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>

Q19. Which, if any, of the following are available to senior executives, other decision-makers and managers at your organisation? Select all that apply (% respondents)

<table>
<thead>
<tr>
<th>Feature</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurate status of relevant functions and company-wide KPIs based on data collected automatically</td>
<td>63</td>
</tr>
<tr>
<td>Accurate status of relevant functions and company-wide key performance indicators (KPIs) based on data collected at least partially manually</td>
<td>51</td>
</tr>
<tr>
<td>Real-time analyses from AI or machine-learning tools that are continually trained with data gathered across the company</td>
<td>36</td>
</tr>
<tr>
<td>None of the above</td>
<td>3</td>
</tr>
</tbody>
</table>
### Q20. Which, if any, of the following do senior executives, other decision-makers and managers at your organisation use regularly?

Select all that apply (% respondents)

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurate status of relevant functions and company-wide KPIs based on data collected automatically</td>
<td>53</td>
</tr>
<tr>
<td>Accurate status of relevant functions and company-wide KPIs based on data collected at least partially manually</td>
<td>44</td>
</tr>
<tr>
<td>Real-time analyses from AI or machine-learning tools that are continually trained with data gathered across the company</td>
<td>30</td>
</tr>
<tr>
<td>None of the above</td>
<td>3</td>
</tr>
</tbody>
</table>

### Q21. Which of the following areas will be the most critical for your organisation’s digital decision-making in the coming year?

Select three (% respondents)

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing wider business process/organisational changes that our digital strategy will require</td>
<td>38</td>
</tr>
<tr>
<td>Introducing digital features into product offerings (eg, IoT, mobile tools)</td>
<td>3%</td>
</tr>
<tr>
<td>Increasing collaboration between functional and business areas</td>
<td>3%</td>
</tr>
<tr>
<td>Assessing/adopting new digital tools (eg, AI, blockchain)</td>
<td>32</td>
</tr>
<tr>
<td>Working with clients and employees to leverage digital offerings</td>
<td>31</td>
</tr>
<tr>
<td>Recruiting more digit-savvy employees and consultants</td>
<td>29</td>
</tr>
<tr>
<td>C-suite and board commitment to leading the development and implementation process</td>
<td>27</td>
</tr>
<tr>
<td>Becoming a more data-driven organisation</td>
<td>27</td>
</tr>
<tr>
<td>KPIs that reflect multiple stakeholders</td>
<td>24</td>
</tr>
<tr>
<td>Identifying/activating digital leadership/task force</td>
<td>24</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>0</td>
</tr>
<tr>
<td>Don’t know</td>
<td>0</td>
</tr>
</tbody>
</table>
### Q22. To what extent does your organisation’s digital strategy take sufficient account of the following?

Select one for each row (% respondents)

<table>
<thead>
<tr>
<th>Category</th>
<th>Entirely insufficient</th>
<th>Somewhat insufficient</th>
<th>Neither insufficient nor sufficient</th>
<th>Somewhat sufficient</th>
<th>Entirely sufficient</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Becoming a more data-driven organisation</td>
<td>1</td>
<td>7</td>
<td>19</td>
<td>1/4</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>C-suite and board commitment to leading the development and implementation process</td>
<td>2</td>
<td>8</td>
<td>20</td>
<td>42</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>Identifying/activating digital leadership/task force</td>
<td>2</td>
<td>7</td>
<td>22</td>
<td>41</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Increasing collaboration between functional and business areas</td>
<td>2</td>
<td>8</td>
<td>21</td>
<td>41</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>Assessing/adopting new digital tools (eg, AI, blockchain)</td>
<td>3</td>
<td>9</td>
<td>24</td>
<td>36</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>Introducing digital features into product offerings (eg, the Internet of Things, mobile tools)</td>
<td>1</td>
<td>8</td>
<td>25</td>
<td>39</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>Working with clients and employees to leverage digital offerings</td>
<td>1</td>
<td>8</td>
<td>23</td>
<td>43</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td>Recruiting more digital-savvy employees and consultants</td>
<td>1</td>
<td>10</td>
<td>24</td>
<td>41</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>Implementing wider business process/organisational changes that our digital strategy will require</td>
<td>1</td>
<td>7</td>
<td>21</td>
<td>42</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>KPIs that reflect multiple stakeholders</td>
<td>1</td>
<td>8</td>
<td>24</td>
<td>40</td>
<td>25</td>
<td>1</td>
</tr>
</tbody>
</table>
Q23. Within your organisation, what are the major barriers to implementing a digital strategy?

Select up to three (% respondents)

- Security concerns: 40
- Cost or lack of funding: 36
- Lack of a tech-savvy workforce: 33
- Internal cultural resistance: 29
- Lack of skills to drive strategy: 28
- Lack of consistency across processes: 26
- Lack of quality, reliable or accessible data: 23
- Lack of leadership: 19
- Other, specify: 0
- Don’t know: 1

Q24. What have been the key drivers of success for your organisation’s digital strategy?

Select all that apply (% respondents)

- Commitment to integrating digital and business strategy: 43
- Focus on maintaining a competitive position in an increasingly technology-dominated world: 42
- Desire to best serve customers, employees and other stakeholders: 39
- Commitment by board of directors and C-suite: 36
- Adequate funding of new technologies: 35
- An innovative and collaborative culture: 35
- A focus on cyber-security: 34
- Other, specify: 1
- Don’t know: 1

Q25. How has your organisation’s digital strategy affected annual profitability over the past three years? How do you anticipate it will affect it over the next three years?

Select one for each row (% respondents)

- Decrease[d](s) significantly (more than 10%)
- Decrease[d](s) somewhat (less than 10%)
- No real change
- Increase[d](s) somewhat (less than 10%)
- Increase[d](s) significantly (more than 10%)
- Don’t know

Effect of digital strategy on annual profitability over the past three years:

- Decrease[d](s) significantly: 2
- Decrease[d](s) somewhat: 6
- No real change: 25
- Increase[d](s) somewhat: 44
- Increase[d](s) significantly: 23
- Don’t know: 1

Effect of digital strategy on annual profitability over the next three years:

- Decrease[d](s) significantly: 1
- Decrease[d](s) somewhat: 4
- No real change: 19
- Increase[d](s) somewhat: 43
- Increase[d](s) significantly: 31
- Don’t know: 2

Q26. Compared with competitors, how would you rank your organisation in each of the following areas?

Select one for each row (% respondents)

- Well below average
- Below average
- Average
- Above average
- Well above average
- Don’t know/NA

Financial performance:

- 1: 5
- 2: 33
- 3: 39
- 4: 21

Degree of digital transformation:

- 1: 2
- 2: 7
- 3: 32
- 4: 37
- 5: 22

Ability to meet our customers’ digital expectations:

- 1: 2
- 2: 5
- 3: 33
- 4: 36
- 5: 22
“We’re going through a process right now of defining our digital strategy. We call it Digital 2025 because 2025 is close enough in time to be real, but also far enough out to make you think differently.”

Uniper has the distinction among energy companies of being one of the youngest. Formed just 2 years ago by the separation from E.ON. Uniper today has some 12,000 employees. From its headquarters in Düsseldorf, Germany, Uniper runs four main business lines: power generation (including hydroelectric, gas, coal and nuclear); energy sales and trading; energy storage; and energy services.

Uniper’s first focus has been to enhance the efficiency of its operations. In doing this, the company will provide itself the platform to expand its activities in different directions.

CIO Damian Bunyan has been with Uniper since its formation and was previously an IT executive with E.ON.
What’s Uniper’s digital strategy, and how important is digital to the company’s overall mission?

In a European context where you’re trying to become more energy-efficient and more environmentally friendly, a number of the things that drive my business’s profitability today will simply not exist in the future. So thinking about what business we’re in, what model is it, and which customers we want to serve and how — all that is mission-critical.

So as CIO I’m asking, what can I do via digitalization to create a business for the future? To answer, we’re going through a process right now of defining our digital strategy. We call it Digital 2025 because 2025 is close enough in time to be real, but also far enough out to make you think differently.

With that definition still in the works, what are your more immediate priorities?

IT basics. While lots of people are thinking about what they could do with blockchain, machine learning, analytics, algorithms, etc., if your basic IT isn’t set up well, you’re always going to have problems. So that’s forcing me as CIO to invest quite a lot in the basics. Although a number of those things don’t necessarily have a business case, I still have to do them, because it creates a stable platform on which to build all of these digital offerings.

So I’m spending a lot of my time moving to the cloud, exiting data centers, implementing software-defined networks, getting identity management right, and introducing a brand-new Windows 10 working environment. A lot of my competitors haven’t been doing those kinds of things because they couldn’t justify the business case.

Is digital at Uniper viewed mainly as an IT project or a business project?

You’ve used a phrase I don’t like or accept. I refuse to recognize a demarcation between what people call IT and what people call the business. If electricity didn’t work, society would break down. And if it doesn’t work, Uniper breaks down.

Just over a year ago, we ran a digital session for our most senior leaders, where we educated ourselves and we dreamt about what digital could mean for the organization. That was a good start. More recently, we worked with DXC to run a series of workshops that revolved around our core business activities. But this time, instead of inviting the most senior executives, we invited those people who we felt had an affinity for the subject. Some were young, some were older; some were senior, others not. We now have a digital-vision document with 55 authors contributing on behalf of their different bits of the business.

Uniper has said it will digitalize customer interfaces to make interactions easier. What does this involve?

We have two distinct kinds of customers. Firstly, about a thousand very large organizations that buy power and or gas from us. And secondly, people who run their own energy infrastructures. For both, technology allows us to interact with them much more effectively.

For the first group, we’re creating tools that will help those large clients manage their risk in a much more intelligent way. Sometimes they buy more energy than they need, and sometimes they sell more than they have. It’s a big risk management issue.

For the second group, we’re developing predictive maintenance. That could mean software that helps them run their maintenance in a more predictive manner, a remote engineer who is analyzing their data and giving advice, or even a service where we run the asset for them.

Does that predictive maintenance involve artificial intelligence or machine learning?

Very much so. For example, take a power station that has a very big turbine, and you have real-time sensors locked on to that turbine. That way, you have a history that shows what was happening before that turbine started to malfunction. Then you can take that real-time information, put it into an analytics device, and start telling with quite a high degree of accuracy which of the turbine’s parts might need attention within the next few days or few weeks. You can run the asset more effectively, which for power generation is a big issue. And you can optimize your capital expenditure.

Yet all this sounds expensive. What’s your approach to funding?

I don’t have enough money to do all of the IT projects I’d like to do. Still, I’m quite reluctant to associate digitalization with cost savings, because it stops people from engaging with me. I’d much rather link digitalization to effectiveness. For example, if you’re in accounts payable, I’d say, “Through digitization, I can help you pay a higher percentage of invoices on time and also spot the invoices that are incorrect.” This way, I have a powerful use case that engages people.

It’s no longer useful for me to know only that we’ve got 99.99 percent server availability. What I now need to know is how available our power stations are, how many customers we’ve invoiced on time. Once I’ve got those metrics, I can measure the effectiveness of our technology against business indicators. I can deliver any IT project. But I need the business to articulate what it really wants.
“We’re sitting at the table together, shaping the agenda. Our partnership with the business, maturing the digital agenda and showing early successes, is highly important.”

Royal Dutch Shell plc is the company’s full name, yet to most of the world it’s just Shell, a global group of energy and petrochemical companies. Headquartered in The Hague, Netherlands, Shell is huge, with some 86,000 employees and annual revenue topping $305 billion. Gas and oil are among Shell’s top products, but the company also offers biofuels, hydrogen and other products, and it operates an oil and chemicals trading business, too.

A big company, Shell does things big. Consider its new Appomattox oil and gas deep-water platform 80 miles off the coast of Louisiana; the platform stands 16 stories high, weighs a mind-boggling 40,000 metric tons, and can send drills nearly a mile and a half down beneath the ocean’s surface.

Harry De Grijs has worked for Shell for more than 30 years and became the company’s CIO for Services and Operations in 2015. Previously, he was Shell’s vice president of capital projects IT/information management in the Netherlands, as well as CIO of Shell’s manufacturing supply and distribution businesses.
What does digital transformation mean today at Shell?

In a sense, we’ve been doing digital forever, gathering data and then making sense out of that data, whether it’s for our traditional seismic activities or for running our plants. We’re used to gathering data, processing it, and getting outcomes from data that will help with the business.

But now with the advancement of technology, the notion that digital will be a key player going forward is even more clear. I see a couple of themes driving that, and one is agility. Where we see digital shifting the paradigm is in speed and ease. The speed of business is picking up, as is the business appetite for that speed, so there’s pull from the business to respond.

And the other thing driving digital is more awareness of the ways data can be used to improve business outcomes. Again, our industry is traditionally data-rich, but that data has not always been considered an asset by business leaders. That’s changing as leaders realize data is the key to the success of digitalization.

Shell undertakes massive oil and gas projects that take years to design, build and launch. How does digital agility help support those initiatives?

If you think about drilling a deep-water well, that’s not a very agile business; also, the risks are high, from both a physical and financial perspective. These wells are very, very expensive. The interesting bit is the step before drilling the well. That’s when you process seismic data and interpret that data to the point that you can say, “This is where we expect the hydrocarbons to be,” and with such a level of certainty that we’re prepared to spend the money to drill the well.

One thing we’re doing is leveraging the cloud for the enormous amount of data we handle. And new cloud services allow us to do that increasingly faster. So, we are using cloud capabilities to help us be more effective in interpreting and processing data.

Also, we’re in a very broad business with diverse operations. For example, we have more retail fuel stations than Starbucks has coffee shops! So that’s a business where we can do a lot by being much faster in bringing solutions to the market.

Which cloud services have you found especially helpful?

We outsourced our storage and hosting about a decade ago, so we haven’t actually owned data centers for a long time. We’re happy with our current provider of data center capability, so most of what we’re doing in the cloud is where scalability — both up and down — is important, along with services around disaster recovery, uptime and automation. The cloud services we’re using are those offered by what I call hyperscalers, such as AWS and Microsoft Azure. With them, we can start from scratch, building in the cloud and using all the available capabilities — automation, instrumentation, billing and more. All this gives us great value.

Any company as big as Shell would be a natural target for cyber thieves, hackers, even rogue states.

What’s your approach to cyber security?

The world used to be simple. I had a couple of data centers, they ran a couple of major SAP systems with their connected applications, and I could monitor all their traffic. But now, increasingly the solutions are hosted by others. That means traffic external to my control is growing exponentially, and so my threat surface is also growing significantly. Therefore, the capabilities you need to have in place, together with your partners, need to be very professional.

This is not a risk we take lightly. It requires constant vigilance, investment and getting the right people.

How do you coordinate Shell’s digital strategy, given there are so many executives and departments, each with their own business strategy?

It’s a journey. Shell is a well-established company with a long history. Our DNA is engineering, with a great awareness of health, safety and the environment. Also, we’re very risk-aware. We’d rather spend the time to do things right and make sure we only take appropriate risks, rather than just go fast. Therefore, I wouldn’t say the only goal of the digital space is to go faster.

The first step was to get our business leaders and executives familiar with what digital actually is and what it can do. We exposed them to examples of what other companies have done, how they’ve leveraged digital to succeed at business outcomes. After that, we put some governance around it, to allow experimentation while keeping IT in the loop. Now we’re sitting at the table together, shaping the agenda. Our partnership with the business, maturing the digital agenda and showing early successes, is highly important.
"Customer experience is No. 1 for driving digital transformation."

While Ericsson is 140 years old, it’s anything but fuddy-duddy. In fact, the Stockholm-based company counts itself among the leading providers of IT and communications services. Networks built with its products carry about 40 percent of the world’s mobile traffic. And to stay competitive, the company has invested a reported $15 billion on development of 5G wireless technologies.

Other key components of Ericsson’s operations include digital services, managed services and what it calls “emerging business.” R&D is at the center of it all, staffed by some 24,000 employees — roughly a quarter of Ericsson’s total — and credited with more than 45,000 patents.

Ericsson CIO Johan Torstensson joined the company in 2010 and became its IT leader in 2016. Torstensson discusses the company’s plans, which include an aggressive digital strategy.
Ericsson is a period of transformation. Give us a sense of where you stand now.

Ericsson is pursuing a more focused business strategy to revitalize technology and market leadership, improve group profitability and enable customer success. After 1.5 years executing on those plans, we can say we’ve turned the corner. Now we’re taking the next step by accelerating our digital transformation journey. We’ve been focused on putting the digital foundation in place, and now we need to accelerate our digital transformation.

What are the main components of that digital foundation?

For us, our digital foundation consists of the technical platforms we need to drive speed and innovation in the company and the enterprise core which hosts the data and connected processes that the company runs on.

Like most large companies, we had a legacy IT environment, including some applications that were not up to date to support our digital transformation. Therefore, we’ve been switching out some of our big legacy systems. For example, we’re finalizing changes to both our PLM [product life-cycle management] and CRM [customer relationship management] systems. It’s about creating a modern kind of architecture. We’re also doing a large cleanup of data to get the quality right.

The systems and the data are the cornerstones in the part of the digital foundation we call our enterprise core. That’s our enterprise data, the processes that are common across the company, and the connected information for those processes. The data we’re talking about in this case includes, among others, customer, product, financial and employee data.

At the same time, we’re building what we call our squirtler platform bet in the areas of analytics, automation and the hybrid IT cloud. The purpose is that the IT department becomes the platform broker for the whole company, by delivering cost-efficient, stable and secure platforms that the whole company can develop digital solutions on.

Sounds like a massive effort.

It is a big effort, but I also think it’s necessary. Because we’re an engineering company, people are always creative in finding the latest technologies. But I tell them: you can put any technology on top of the data, but if the data quality is not up to par, the only thing you’ll get is a white lie. You’ll lie to yourself, because it’s not the truth that’s coming through. And you’ll make the wrong decisions.

Once your digital foundation is completed, what comes next?

Our vision of digital transformation has customer experience as our guiding star. If we look at how we work with our customers, we’re working with concepts such as customer journeys to identify their pain points across our touchpoints, and to address those points with digital solutions. Customer experience is No. 1 for driving digital transformation.

After that, we have three supporting areas. One is smart operations; it’s all about how we automate and become a data-driven company. The second is how we engage employees; we want to make sure that employees, when they come to work, feel that they work for a high-tech company and the IT solutions support them in realizing value instead of spending time on unnecessary tasks. And third, transformed offerings; that is, how can we become a company that sells more of our solutions as services? How can we utilize our data to find new business models?

As Ericsson’s CIO, you essentially run technology for a company of technologists. Does that create special challenges?

Yes, I have a bunch of people that want to tell me how technology will work in the future! So my role is different from a CIO’s role in a traditional manufacturing company or retailer. In a technology company, the CIO needs to not get in the way of innovation, but at the same time protect the company from cybersecurity threats.

One way is by providing digital platforms. How can I make sure we have platforms people can innovate on, which are cost-efficient, flexible and secure? If they want to do their own analytics solutions, how can I deliver a data platform with open APIs and data quality? How can I provide a hybrid IT cloud platform, with microservices, which people can use to build their innovations on? Then, how can I help them scale these innovations globally across the company?

Ericsson has ambitious business goals for 2020. What are the implications for IT?

While many of those goals are financial targets, we’ll also be pursuing what I call our digital ambitions. A lot of this has to do with speed, transparency and experience, and the important thing is that these ambitions foster a mindset of radical transformation across the company. For example, one digital ambition can be to cut the delivery time for certain products by as much as 50 percent. Once again, it’s all about the customer experience. If we can deliver things faster and be easier to work with in combination with being the technology leader, then we can win more business and grow with profit.
Thomas Kropp

Chief IT services officer
Zurich Insurance Group
www.zurich.co.uk

“Change management, training and reskilling people is absolutely critical to enable a true digital transformation.”

Zurich Insurance Group Ltd. is Switzerland’s largest insurer and ranks in the top 100 in the Forbes Global 2000 list. Zurich’s business is balanced between Europe and North America, between commercial and retail, and between property and casualty and life insurance. It employs about 53,000 people serving customers in more than 210 countries and territories around the globe. Zurich serves individuals, small businesses, midsize and large companies, as well as multinational corporations.

Thomas Kropp has been with Zurich for more than four years. As a member of the Group leadership team and as the Group IT services officer, Kropp enables a better experience for Zurich’s customers and employees by making best use of the opportunities technology provides.
Describe your overall digital strategy.

Our goal is to exceed customer expectations with compelling products and services. We are committed to changing the customer experience through innovation. Our three strategic pillars are customer-centricity, innovation and simplification.

Since we are a global company, we have digital propositions at different stages. In some areas, we are still in the prototyping and piloting phase. In other markets, we are already using what we’ve piloted in one market to build scale.

What are the top business goals of your digital strategy?

Our emphasis is on putting customers at the heart of everything and focusing on how we can better serve their increasingly connected lifestyles, with digital innovations that provide the tailored risk protection they want.

Beyond that, we are looking for ways to become more efficient, which helps us to make best use of our resources. One example of this approach, which also should improve how customers experience us, is the new digital capabilities for reporting claims that we have introduced, which improve the quality and speed of claims handling and generate loss-adjustment expense savings. That benefits customers by allowing us to pay claims faster and spend more human time with customers who need this type of personalized support.

Where have you had the biggest impact so far?

We started with one fundamental question: Do we start with simplification, and then focus on the digital part? Or do we first focus mainly on the digital aspects? We decided that we needed to simplify our organization first. If we had ‘digitized’ overly complex processes, that would not have had the best outcome. So, we invested substantial resources in the last two years to simplify our product portfolios, our processes and the underlying IT. We retired 30 percent of our applications and moved 40 percent of the remaining ones to the cloud. We consolidated over 50 data centers – today we have just 15 – and upgraded our global network. All this helped us build the technical foundation that we need to deliver digital solutions at optimal speed.

But we don’t just continue to simplify and modernize our existing operations that are the foundation of our business. We are also building new capabilities for the future. This will lead our business transformation over the longer term. For instance, we will focus on what customers really need. We have already achieved tangible results, such as providing roadside assistance services to customers in real time and are enabling ecosystems in the wider sense.

To what degree does your digital strategy require a change in corporate culture?

Introducing new technologies can create a massive disruption that requires a tremendous amount of change management. We need not only a customer-centric, but also a human-centric approach. The changes in society and our industry are also changing the way we work and lead – in a much more agile way. Control, which obviously is part of our DNA as an expert in risk management, needs to be turned into trust and empowerment. To be fast and to create better outcomes we are moving to a flat organization, working together as communities of experts and in global networks within IT, the company and our partner ecosystem. I believe in the power of ecosystems. We are not only collaborating through strategic alliances, but also using the power of insurtechs and startups to continue to experiment with new opportunities.

Which parts of your organization would you say are the most digitally enabled?

We are one of the biggest commercial insurance providers globally, and commercial insurance is about data — and maximizing the information from that data — so that’s clearly one of the areas where we started very early. The second example is travel insurance, where we use mobile information from customers – for example, their location – to protect them when they are traveling. We can alert them of dangerous situations and ensure, if they are in a location that entails risks, that they are okay.

We are looking at all portfolios and functions for ways to better use technology to improve our customer focus. We are looking to implement digital solutions all over the globe and across all of our business lines.

Which technologies are most important to your digital strategy?

First and foremost, we apply a security-by-design approach for everything that we do. We use cognitive and AI to enable more personalized services, automated deployment to enable rapid deployment in the market, cognitive and robotic process automation to achieve “zero touch” maintenance, and the cloud to enable standardized and secure, easy access to different systems, modernize and make us fit for the future.

We have already made some investments in blockchain, where we are part of the B3i initiative. Crowdsourcing has huge potential, not only to get access to global talent, but also to get the right people in jobs where we need them most across our global organization.

What are the biggest hurdles when it comes to implementing your digital strategy?

From a technical perspective we need to continue to reduce technical debt by keeping existing systems updated or upgrading to the latest technologies. We also continue to simplify operations and decommission redundant applications and functions.

Equally or even more important is the need to address fears and unknowns related to digital technologies. People automatically assume that digital will mean redundancies, or, optimistically, will create new jobs – but what will the new jobs look like? So, change management, training and reskilling people is absolutely critical to enable a true digital transformation.

What keeps you up at night when you think about your digital strategy?

If you talk about digital, you also have to talk about security. There’s a lot of eagerness to move fast. To adopt new technology and approaches using digital solutions without sacrificing security is not an easy challenge.

At Zurich we are supporting this secure transformation internally and for our customers with our global cyber insurance propositions. We are also educating customers about potential risks.
“Our goal is to enable the innovation to transform to digital, while also recognizing that we need to do it at a large scale for millions of customers and across the bank.”

CIBC is Canada’s fifth largest bank by total assets (CA$565.3 billion) and a technology leader. CIBC was the first Canadian bank to offer a mobile-banking app for the iPhone, the first to offer a mobile brokerage app, and the first to offer a mobile-banking app for the Apple Watch. The full-service bank employs 45,000 people and has 11 million customers, running the gamut from individuals to the largest commercial outfits.

Dave Revell joined CIBC in 2011 as its senior vice president for strategic initiatives, then took the CIO role in 2017 to lead the bank’s multilayered, multipronged digital transformation efforts. We recently caught up with Revell to see where CIBC is on its digital journey and what has been learned along the way.
What are the main goals of CIBC’s digital strategy?
Client experience is first and foremost – making it easy and convenient for our clients to do business with us. Of course, having rock-solid security is an important part of that. Simplification is also important, in terms of making it easier for our team members to do their jobs on behalf of our clients. To that end, a lot of our efforts are focused around improving processes through automation and digitization.

A good example of this is the work we’ve done around remote deposit capture. We were the first Canadian bank to digitize checks and give our clients the ability to deposit a check by taking a photo with their mobile phone. This made it much faster and easier for them, and also significantly reduced the amount of paper our processing teams deal with. We not only streamlined how we operate and reduced costs, but also created a much better experience for our clients.

How far along is CIBC on its digital journey?
Well, it isn’t a “once and done.” Once you start thinking about what digital means, you also start thinking about new technologies, such as AI [artificial intelligence], that can be layered onto your strategy. So, first we’re building the fundamentals of a digital platform and moving away from our old paper-based platform. Then we can continually enhance it with new technologies that make sense for our customers.

Internally, our progress varies by business area. For example, within the broad set of our retail customers, we’re quite deep in terms of re-architecting our core e-banking systems and building a modern mobile platform.

A lot of customers no longer think of us as a traditional bank with a grand foyer. They think about a phone, because that’s how they interact with us. About 5 years ago we used the term “The best bank in your pocket.” That was all about enabling the bank to display leadership through mobile.

Digital transformation isn’t cheap. How are you funding your various digital projects?
We think digital is the new cost of doing business, so for us, it’s actually a business imperative. Having said that, our programs related to simplification are helping us take costs out, which we can re-invest in other things for our customers. Also, we have a multi-year strategic program to modernize our technology, which will bring significant savings. But it’s not just about cost, as there are other important benefits. Things like moving to the cloud and adopting Agile development also enable us to get to market quicker delivering new products and services for our clients.

Is the traditional, cautious banking culture different from the modern digital mind-set, and does that represent a challenge?
It syncs perfectly with the business strategy of our CEO, Victor Dodig. When he came into the job about 4 years ago, Victor talked a lot about turning CIBC into a relationship-oriented bank for a modern world. Banking is still based on people and relationships, but modern banking is all digital.

As we began talking about enablers for the strategy, Victor would talk about innovation, simplification and customer-orientation. What’s being described is a cultural change from the top of the bank on down. We’re becoming more customer-focused and innovative, and we’re using technology tools to enhance the client experience.

You’ve said your team is like a FinTech inside a bank. Is that a part of this larger culture change?
Yes, we’re actually leveraging the best of both worlds, like the FinTech approach of being disruptive using new technology, and marrying that with the things that banks have always been good at. That includes scaling to millions of customers, having rock-solid security and building large-scale solutions.

Our goal is to enable the innovation to transform to digital, while also recognizing that we need to do it at a large scale for millions of customers and across the bank.
Archana “Archie” Deskus
Senior vice president and CIO
Hewlett Packard Enterprise

“We’re executing one of the largest and fastest digital transformations that anyone’s seen.”

Whoever maintains the org chart at Hewlett Packard Enterprise, better known as HPE, has had their hands full. In recent years, the company has transformed itself by spinning off its enterprise services division (leading to the formation of DXC Technology and transferring some 100,000 employees), acquiring SGI, SimpliVity and Nimble Storage, and completing a “spin-merge” of its software business with Micro Focus. Today HPE is a $31 billion company offering products and services in three main areas: intelligent edge, hybrid IT and financial services.

CIO Archana “Archie” Deskus is ultimately responsible for every facet of HPE’s IT infrastructure and technology resources. This includes overseeing the company’s massive business-transformation effort, expected to take nearly 3 years. Prior to joining HPE, Deskus held senior IT positions with Baker Hughes, Ingersoll-Rand, Timex and United Technologies. We recently caught up with Deskus for an update on HPE’s transformation.
Given a company as dynamic and fast-changing as HPE, how is IT keeping pace?

Historically, there has been a lot of complexity in our IT environment, and we’re on a journey to re-architect the company, really from the ground up. We’re focused on simplifying the way we run our business, improving execution and driving more focus around innovation. We are able to adapt by using a hybrid agile methodology, more standardized solutions and having the right set of expertise across the teams.

What are some of the ways you’re simplifying the IT infrastructure?

We are in the process of moving to a single Enterprise Resource Planning (ERP) system, down from about 11 ERPs, arranged by geography and different parts of our business. We are also reducing the number of applications and moving toward more standardized solutions.

We’ve got a new focus on master data management, not only as it pertains to ERP, but also across our entire organization. We are connecting the entire ecosystem to provide real-time data and visibility across our customers, our partners and our leaders. We really want to modernize their experience and provide more data-driven insights to drive business performance.

What are the main components of HPE’s IT transformation?

There are many components to our transformation, from collaboration and productivity tools, to business applications, an integrated fabric to connect our data, and security tools. One of the main components is a whole new analytics platform. Not just a platform that delivers real-time reporting, but one that also gives more insights, through intelligence, in terms of what the data is providing.

We’re also investing in building new capabilities and experiences across the enterprise. In one of those areas, we want to move to a model where more of our sales interactions are either no-touch or low-touch. For example, when a contract comes up for renewal, we want to be able to generate it automatically.

E-commerce is another such area. We want it to be a seamless experience that is more self-service, where partners and customers can go all the way from looking at products and service offerings to being able to quote, price and buy online — all in a one-stop shop. It will also allow us to gain new business opportunities we couldn’t reach before.

How far along are you on the IT transformation timeline?

In 2018 we established the foundation. All our core financial processes are now running through SAP S/4HANA. We also rolled out an integrated configuration and quoting tool, and a new travel-and-expense management system.

In 2019 we will build out the rest of the capabilities to include order management, supply chain and services, and we’ll begin deploying those across EMEA [Europe, Middle East and Africa], followed by other regions such as Americas and Asia-Pacific. Our customers tell us that our 2 1/2-year timeline is one of the most aggressive they’ve seen. For most of them, it would be more like 5 years.

Why is speed so important? Why not take those 5 years?

A lot of our legacy still remains. As a new company, we need a different set of capabilities that are fit for purpose for the company we are today and for who we will become in the future. That’s critically important.

How about the HPE culture? Is that changing too?

Absolutely. We’re executing one of the largest and fastest digital transformations that anyone’s seen. To do that, it comes down to not just designing the best solutions and doing the right things but also about winning the hearts and minds of our employees. We need their engagement, or we won’t succeed. We’ve got a dedicated team focused on driving a culture change within our organization.

One of the first things we had to work on was alignment between IT and the business. That wasn’t easy. Historically, we’ve operated without step-by-step collaboration. So we’ve brought everyone under one leadership. And now we have the integration and collaboration we need to design, build, test and deploy new capabilities quickly.

What keeps you up at night?

Mainly the speed. We’re deploying something every quarter. At any point in time we have three parallel releases happening across design, development and deployment. I also worry about balancing rapid change and daily operations. How much change can the business absorb and comprehend while still operating?

Fortunately, two things really help on that front. First, we put a governance structure in place early in the program. It affects all stakeholders who need to be engaged. Second, we identified champions — the right folks to drive change within the organization. That really helps in terms of who you’re impacting and what entities need to be involved. When we started, it was bumpy. But at this point, it’s like a well-oiled machine.

For our CEO and board, this is a top priority. Folks ask me how much engagement and commitment we have. There’s no question about that. Everybody is very heavily engaged.
“We’re creating a culture where experimentation is not just enabled, but also expected — and respected.”

Dan Hushon is responsible for defining DXC’s long-term technology strategy and vision. He’s also the company’s main advocate for that vision with customers.

Hushon has more than 20 years of experience delivering technology-differentiated solutions to private, public and international customers. Prior to the formation of DXC in 2017, he served as chief technology officer (CTO) of CSC. In that role, Hushon provided leadership for driving the strategy and growth of CSC’s product lines and boosting technology excellence across the company. Before joining CSC, Hushon served in chief technologist roles at EMC and Sun Microsystems.
2019: The year of digital decisions

What is DXC’s overall strategy for digital transformation?

For us, being a services firm, digital is all-encompassing. It has to do with how we deliver products and services into our marketplace that are digital to the maximum extent. Digital is quantitatively information-driven, substantially repeatable and automated, yet intimate and customizable.

At the same time, we want to become the same type of learning organization we’re helping our clients become. That means finding ways to experiment safely while also sharing our learnings, both positive and negative. We’re creating a culture where experimentation is not just enabled, but also expected — and respected.

We’re also asking ourselves how we can deliver the kinds of experiences our clients are asking for. One way we’re doing that is by building out an asset called Platform DXC. It’s a platform for our business that allows us to share and collaborate, to run a more integrated set of processes, and yet still allow for variation in the right locations of those processes.

What are your digital strategy’s main goals for the business?

Like many organizations, we’re trying to figure out how to replace vulnerable revenue streams with new revenue streams at a rate and pace that creates growth. In this increasingly fast-changing market, the things we did yesterday are unlikely to be competitive tomorrow. So we have to reinvent ourselves, and at a much more rapid pace than before. Our clients tell us this is one of their top CEO priorities, too, because shareholders always value growth.

We’re also doing things around our marketplace positioning. When you go digital, your brand often needs to be repositioned. DXC was formed from two companies, CSC and HPE Enterprise Services, that were well known for infrastructure services. But in the new digital space, businesses are becoming more reliant on information and information services. So there’s a new digital identity that needs to be built around the brand.

We’re also changing our value proposition. Mainly, we want to be easier to do business with. Our clients expect a “consumerized” experience, which is real-time, online and nearly instantaneous. We also want clients to see that our services are being substantially automated and improved. What the client then enjoys are fewer failures, improved service quality, faster adoption of innovation, and of course the self-service capability that in and of itself throws off telemetry that can be used to continuously reinvent processes.

How about cultural change?

There’s nothing more important than the culture. DXC is really trying to drive a performance-based culture. I think this is necessary, because performance-based cultures naturally force people to look toward outcomes, rather than effort.

As I mentioned, we’re also driving a learning culture with an expectation of continuous experimentation. So, take both of those together and you create a lot of challenges. The risk is that people become afraid of taking a chance and afraid of sharing their failings. Because the organization might be so performance-driven, the only thing it will accept is a win. But we want to be sharing our learnings. What are the root causes of problems? How were they fixed? That’s valuable, especially as you need to move faster. So this is a very delicate balance.

Have you gotten digital buy-in from your senior business executives?

We run an incredibly intense management system. We meet every 2 to 3 weeks to discuss everything that’s going on in the business. The discussion is usually focused on what we can do better. For me, that’s really positive.

We’re repeating some of the best practices of Agile software development to create a more agile business. We’re basically saying: “Let’s quickly identify where we’re not succeeding, let’s agree on that failure, and let’s talk about it so everyone knows what we saw, why we’re moving in this direction, and if this doesn’t work, what we’re going to do next.”

The other important thing in our executive culture is a willingness to become “double deep.” This came out of our own research. There can be a gap when you have too many business-savvy people without enough technical skill, and another gap when you have too many tech-savvy people without enough business skill. So we’re creating a layer of leaders who are bilaterally educated.

Our board is another factor. We have a very savvy board now, and it’s made up of CEOs in technical domains and relevant industries. They understand the business and the technology. You could ask any one of them, say, What’s blockchain and what could it be used for? And you’d get a good answer!

What are you doing to align your digital and business strategies?

When you have a company that’s doing really well in its market, it’s hard to tell everyone that their world is about to change and therefore they need to do something different. Yet it’s only when you’re doing well that you have all the assets you’ll need to transform yourself for the next stage.

For us, execution is really the big piece. Our global workforce — well over 100,000 people in more than 70 countries — has to move with a clear focus at the same pace. Even our legacy businesses are beginning to benefit substantially from digital technologies. This may feel like a digital strategy, but in fact it’s an information-driven business. So no matter what you’re doing, you can find a benefit.

We’re also striving to create balanced teams with the right number of senior and junior staff. I like the analogy of a medieval guild with masters, craftsmen, journeymen and apprentices. You leverage new hires and existing talent, and create an environment where they can share their skills, experiences and passions. This can be done using mixed teams for cross-training, which drives an overall culture of learning.
About DXC Technology

DXC Technology [DXC: NYSE] is the world’s leading independent, end-to-end IT services company, serving nearly 6,000 private and public-sector clients from a diverse array of industries across 70 countries. The company’s technology independence, global talent and extensive partner network deliver transformative digital offerings and solutions that help clients harness the power of innovation to thrive on change. DXC Technology is recognized among the best corporate citizens globally.

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