

# The Future of IT

## A future-ready IT function is at the heart of a future-ready enterprise

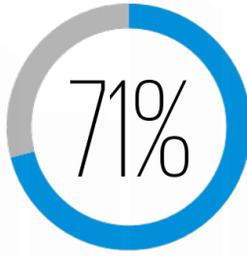
There is no longer business strategy and technology strategy. There is just strategy, and technology is driving it.

The opportunity for IT is to remove friction and enable a truly **connected enterprise** - aligning the front, middle and back office to become a customer-centric, digitally enabled business, engineered for profitable growth.

## ...but ambition and ability are not aligned



**96%** of companies are focused on transformation<sup>1</sup>



**71%** of CEOs are personally ready to lead radical organisational transformation<sup>2</sup>



**83%** of executives are not confident their business can build and implement a new operating model<sup>1</sup>



**78%** of CIOs believe their digital strategy is only moderately effective or worse<sup>3</sup>

## ...and six trends are influencing IT functions

### Demand for data & insights

Only **23%** of companies are "very effective" at generating actionable insights from customer data<sup>3</sup>

### Empowered customer

'Customer centric' companies **38%** more likely to report greater profitability than ones that are not<sup>3</sup>

### Business managed IT

**66%** of organisations see business managed IT as the new norm<sup>3</sup>

### Cyber threat

**33%** of companies reported a major cybercrime in the last 2 years<sup>3</sup>

### Battle for skills

**65%** of IT leaders are reporting a lack of skills holding back their strategies<sup>3</sup>

### Intelligent automation

**67%** of organisations are looking to intelligent automation to reduce additional headcount<sup>3</sup>

## In response, the IT function must evolve

### Six elements needed to deliver business value:



#### Market speed

Realign capabilities, people, architectures, and ways of working to enable the delivery of new products and services at variable speeds and scale



#### Dynamic investment

Deploy a 'think like a VC' portfolio investment approach and leverage lean financial processes to drive dynamic and continuous funding of technology and investments



#### Modern delivery

Integrate business, engineering, testing and operations into full stack teams, automating large portions of the value chain



#### Flexible IT workforce

Develop a 360 degree view of the IT workforce, including business, technical, and virtual skills, to create a flexible ecosystem of talent



#### Data as an asset

Evolve foundational data assets to fuel demand for actionable customer insights, transparency to risk and opportunity, and operational efficiency



#### Customer trust

Instil technical trust throughout the organisation, delivering intrinsically safe products and services, to influence perceived trust for customer value

## Start your change journey today

### Key next steps to becoming a market speed organisation:

- Secure leadership alignment on objectives and priorities
- Assess operating model readiness to deliver the promise of a connected enterprise
- Develop a holistic, integrated transformation plan. Be sure to include interdependent operating models such as procurement, finance, HR, sales and operations
- Put cultural change and a principles led approach at the centre of the transformation

For more on the Future of IT, please visit [kpmg.com/au/Future-IT](http://kpmg.com/au/Future-IT)

#### Sources:

1. KPMG Global Transformation Study 2016
2. KPMG CEO Outlook 2018
3. Harvey Nash / KPMG CIO Survey 2018



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