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HARVEY NASH / KPMG CIO SURVEY 2020



EVERYTHING CHANGED. OR DID IT?

QATAR FINDINGS

KPMG in QATAR
June 2021



Everything changed. Or did it?

For 22 years, the Harvey Nash/KPMG CIO survey has reflected the experience of technology leaders across 83 countries. From the dot-com bubble to 2008's global financial crisis, our survey has witnessed a myriad of changes.

In 2020, the world experienced yet another disruptive event: the Covid-19 pandemic. Every sector, in every market, around the world, experienced some degree of upheaval – technology amongst them. While the pandemic may not have necessarily altered business strategies, it seems to have reaffirmed the importance of data, artificial intelligence (AI) and connectivity.

For the first time, we bring you a local perspective, informed by input from chief information officers (CIOs) across the State of Qatar. This includes analysis of data collected prior to the onset of the pandemic, as well as additional data collected during the outbreak. We hope this report will help your organization navigate 2021's uncertain terrain.



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5 THINGS TO DO WITH THIS REPORT



**Rethink
your budget**



**See the
future**



**Hear from
your peers**



**Promote
awareness**



**Compare
your sector**

CIO Survey 2020 – 8 things you need to know

An investment surge and budget headaches

Global IT leaders reported a median additional spend of 5% of IT budget to deal with the Covid-19 crisis. This represents around US\$15bn per week during the first three months of the crisis, as organisations pivoted their customer strategies, invested in security, and moved a significant part of their workforce to remote working. The expected and unplanned-for spend in both capital (CapEx) and operating expenditure (OpEx) has left many organisations with a headache. CIOs and CFOs are shining a bright light on existing spend, keen to prove return on investment or to make savings.

A new deal for employees

With 43 per cent of technology leaders expecting more than half their staff to remain working predominantly from home, organisations are beginning to realise how different a world without location is. In recruitment, their potential talent pool is worldwide. Ensuring that people are engaged, rewarded and productive in a world where physical presence plays less of a role will be a key factor. Mental health is an issue; 84 per cent of technology leaders report they are concerned about their team. Encouragingly, our research shows that programmes are being put in place to manage this.

Each industry sector is following its own path

Unlike previous recessions, where largely sectors 'rose or fell' with the tide, sector has played a significant and divisive role in how organisations have fared during the crisis. Some organisations are faced with the challenge of finding a viable business model; for others, the challenge is to deal with a surge of demand. Power & Utilities, Government, Healthcare and Technology are investing heavily; Leisure, Non-profit, Education and Manufacturing are reining back. Regardless, six in ten feel it will take at least three months before they can accurately forecast the future. Boards will need to get used to the discomfort of uncertainty.

More proof that business needs diversity

Participation of women in technology leadership remains stubbornly low, although some headway appears to be happening in Latin America which is benefiting from specific programmes designed to get women into the world of technology. Looking at diversity more widely, our research adds further proof that diverse teams promote better business performance. More than two-thirds of organisations feel that being diverse has improved trust and collaboration in the technology team. The survey also hints that the flexible nature of remote working may promote greater inclusion, but only time will tell.

A growing digital divide

While few organisations would have planned for something as significant as this pandemic, some entered the crisis in much better shape than others. These digital leaders, the three in ten organisations with the most successful digital business strategies, already had much of the infrastructure in place to deal with the crisis and were further down the line with implementing emerging technologies. When the crisis hit, digital leaders continued to invest while their peers cut back, and over time we are likely to see a growing divide over digital and business performance.

The new technology leader

At the centre of all this lies the technology leader. Many of them emerge from this exhausted, but excited, by the challenges and opportunities of what has become a technology-centric crisis. Over six in ten report feeling more influential as a result of the crisis. This is not reflected in board membership, which for CIOs is down from 71 per cent in 2017 to 61 per cent now. This decline does not seem to be a concern; what technology leaders want most of all is influence, and this crisis has helped them achieve that, at least for the moment. The smart ones will not let that opportunity pass.

A wave of cyber-crime targeted at remote workers

Covid-19 caused the mass relocation of workers from the safety of their corporate network to studies, bedrooms and kitchen tables all over the world – and the attack surface of organisations expanded exponentially. Our research shows that in addition to cyber-crime challenges faced before the crisis, more than four in ten (41 per cent) have experienced additional cyber-security incidents, mainly from spear phishing and malware attacks. This challenge has caused security to become the top technology investment priority, and for the first time in this survey's history cyber-security expertise has become the most in-demand skill set.

Everything changed. Or did it?

There is no doubting the pandemic's dramatic effect on almost every aspect of business and life. But key fundamentals remain. The top priorities for boards did not change with the onset of Covid-19: operational efficiency and customer engagement, both long-standing priorities of the technology leader. While some organisations will have required a radical change in direction, for most it has served to accelerate what was already in place. For some this has actually been useful: "More innovation happened in the last six months than in the last ten years," remarked one respondent.



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About the Harvey Nash/KPMG CIO survey



USD 1/4 trillion

combined IT budget*



3 million
data points**



4,219
respondents



83
countries



22
years of data

*Combined IT budget of this year's respondents

**From 22 years

QATAR respondents' demographics



51%
board members



10%
female



90%
male



50+
responses in
Qatar



19
business sectors

A note about the data in this survey

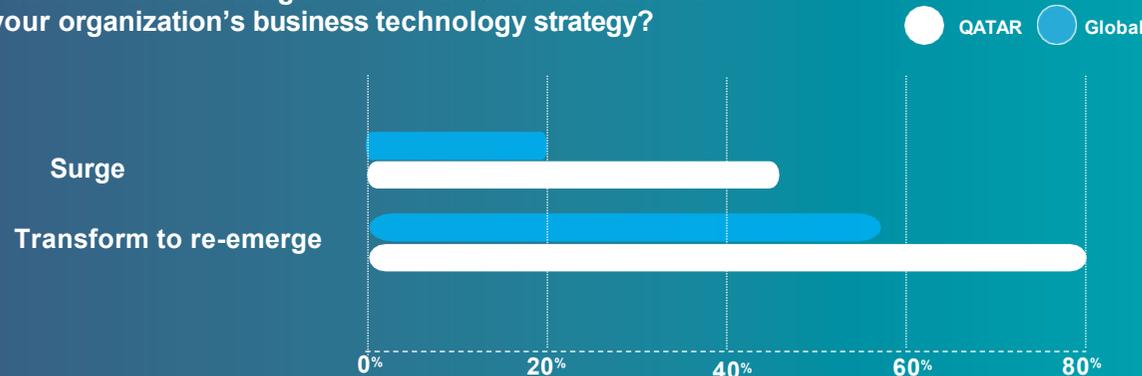
We launched the first iteration of this survey in late December 2019, before Covid-19 was an issue outside mainland China. In March 2020 we paused the survey after collecting 2,791 responses and then launched a new survey that included questions relating to the pandemic, which received a further 1,428 responses running from May to August. In this report you will see references to both surveys globally – Pre-Covid 2020 and Covid 2020 – and together they give us a unique insight into the before, the onset and the ongoing effects of the pandemic. If no specific data source is quoted in this report, it means the data is taken from the second global survey, Covid2020. In Qatar we compiled the survey references Pre-Covid 2020, supported with unique local clients' and KPMG Qatar experts' perspective

Board priorities and investment

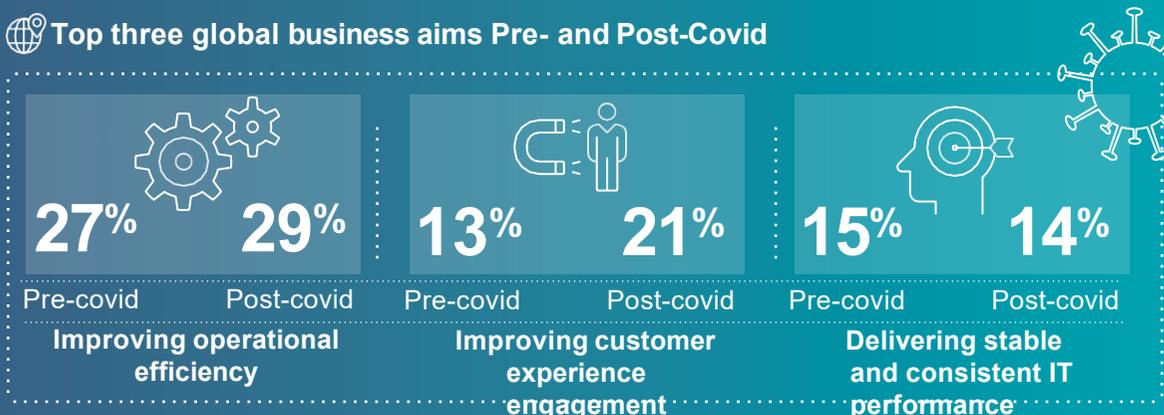
Technology leaders expecting IT/technology budget change in next 12 months



Which of the following best describes the overall focus of your organization's business technology strategy?



Top three global business aims Pre- and Post-Covid



A surge in investment

During 2020, almost 50% of technology leaders, both globally and in Qatar, expected the IT/technology budget to increase. This was mainly driven by increased spending on operational efficiencies, customer engagement and data-driven insights.

While technology leaders' attention remained focused on the top three priorities, new imperatives such as investment in the cloud and workforce enablement rapidly emerged to deal with the immediate demands of the crisis.

Business technology strategies

While no sector, company or region has been left untouched by COVID-19, organizations are suffering varied impacts of the pandemic with several recovery patterns emerging to adapt to the new reality.

Almost half respondents are expecting slow recovery. These businesses are adopting a flexible, digitally native, and experience-centric IT transformation to emerge stronger and more in line with customer priorities. Twenty percent of organizations claim to witness a growing demand and, therefore, require an agile, and highly scalable IT transformation to capitalize on the gains they have made. Essential businesses (e.g. government or financial services) are focusing on modifying business as usual, owing to minimal Covid-19 effects and the possibility of a quick recovery once the demand returns. A smaller portion of organizations are looking at a data-driven approach for a hard reset in order to rapidly assess opportunities, deliver lean operations and sustain the business.

New business imperatives

Although operational efficiency and customer engagement remain top priorities during both phases of research, the execution has changed in the light of Covid-19. For example, operational efficiency is being redefined as organizations seek to offset disruption or experience resource constraints with automation and lean governance models. Similarly, approaches to the customer experience are focused on adapting to our new reality.

Managing technology

In the new reality, what are the three most important technology investments?

Qatar Global

	Qatar	Global		Qatar	Global
Automation	35%	32%	Security & privacy	37%	50%
Customer experience & engagement	35%	46%	Systems of insight (e.g. BI)	10%	31%
Infrastructure/cloud	35%	42%	Technology development, management & operations	13%	27%
Employee engagement & HR	4%	3.5%	Systems of record	2%	12%
Office productivity & internal communications	8%	20%			

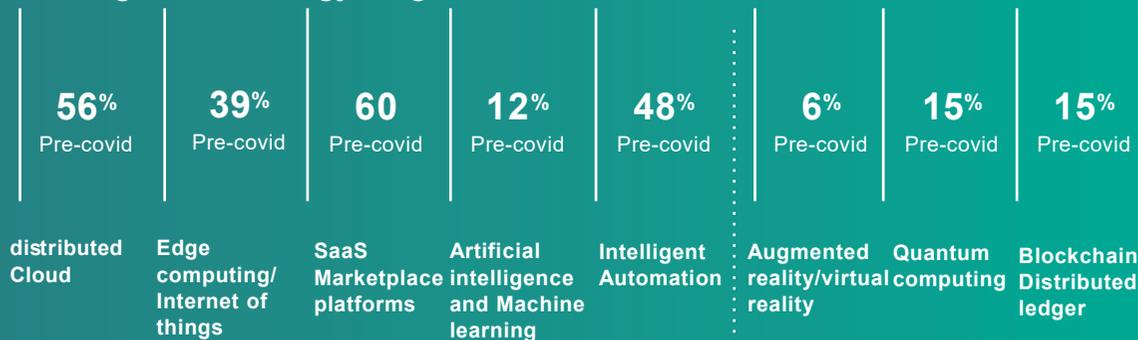


Rami Hasan

Head of Cybersecurity, KPMG QA

“ People did not take the risk of viral infection seriously, COVID-19 has a different opinion! Cyber is not any difference, it is a reflection of how serious and responsible nations are towards their people, business and well-being ”

Change in technology usage with onset of Covid-19 in Qatar



Data represents small + large scale implementations (piloting if large/small scale implementation is not available)

Customers are the pulse of every business

The consistently evolving nature of technology requires non-stop technology investments in alignment with the business strategy. In Qatar, digital leaders outperformed their global counterparts in investing in customer experience and engagement and Security & privacy . Given the fundamental change in how businesses interact with consumers in the wake of Covid-19, re-establishing trust and loyalty should continue to be a top priority. Two other key areas receiving investment are automation and systems of insight. Such investments are anticipated to lower operating costs in the long run and identify relevant product offerings, respectively.

Automation: The solution to efficiency

In line with global trends, 80 percent of digital leaders in State of Qatar expect increased investment to automate their service delivery model. 73 percent of leaders anticipate an increase in their use of managed services – 23% higher than seen globally. Building a robust supply chain through supplier diversification protects companies from upstream (supply) and downstream (distribution) disturbances. This speaks to companies to shift efforts from daily operations to more innovative value-added activities.

Covid-19 increases focus on AI and IoT

While the trends in usage of technologies mostly remained consistent when comparing pre- and post-Covid data, use of AI and ML marketplace platforms did see a substantial bump. This is congruent with global results. This may be attributed to changes in how these technologies are used—most notably contact tracing and hotspot identification.



Amal Rashid Al-Mansoori

Manager Information Technology, Qatar General Electricity & Water Corporation "KAHRAMAA"

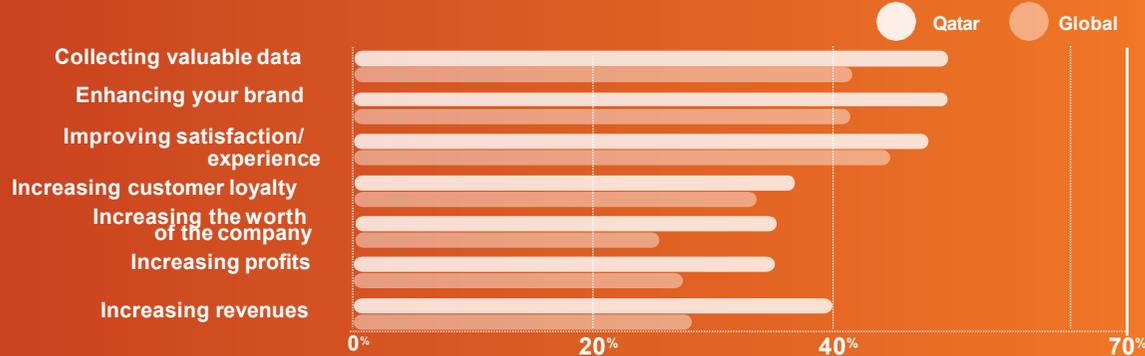
“Kahramaa has always appreciated the value that digital and innovation can bring to the Qatari Citizens, Residents, and our Team. With the stress on operational resilience apropos the COVID pandemic, it is evident that Technology is at the forefront for maintaining growth and stability, which emphasizes the importance of having IT as a Strategic Business Partner to the core businesses within the organization. At Kahramaa, we continuously leverage digital technologies to promote customer experience while improving our agility and enhancing our resilience.”

Digital leadership is a moving target

Digital leadership is a moving target. Digital leaders are those organizations that are ‘very’ or ‘extremely’ effective at using digital technologies to advance their business strategy. After an initial jump from 2018 to 2019, the proportion of respondents identifying as digital leaders has stayed the same as last year. As technologies change, being a digital leader is a moving goal. This year’s digital leaders may look relatively stagnant unless they are leveraging the latest technology and responding with agility. Effective digital leaders outperform in every one of five meaningful business measures. They think about technology differently and correlate business performance to it.

Driving business performance with technology

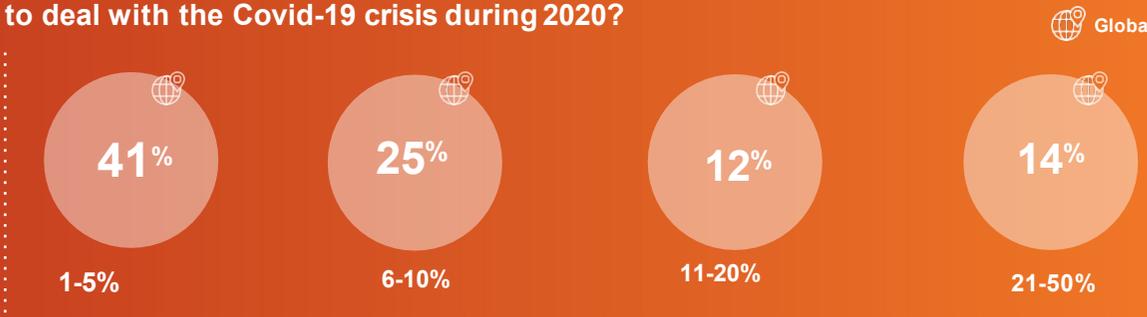
Thinking about your most successful digital offering to customers in the last 12 months, how effective was it at the following? (Very/extremely effective)



In which areas has your organization been very effective



How much additional technology expenditure has there been to deal with the Covid-19 crisis during 2020?



Digital offerings are a sure bet

Various successful digital offerings of companies in Qatar have been most effective in enabling them to collect valuable data. This has further led to the emphasis on the critical nature of data and how valuable it is to companies in generating actionable insights. Privacy should be the prime focus of the digital leaders when handling data. Even for companies with conventional business models, a digital offering can provide several insights and advantages to a company's competitive position

Data is the new oil

Digital leaders in Qatar pride themselves on their ability to implement enterprise-wide data strategies. This is not surprising, given rapid innovation amongst local companies, reinforced by government initiatives. Conversely, the use of AI in enterprise data management could benefit from additional investment – particularly with respect to upskilling.

State of Qatar: a step ahead

Over two-thirds of digital leaders in Qatar have not made significant technology expenditures as a result of the Covid-19 crisis. Organizations' existing infrastructure was scaled and found capable of handling shifting demands triggered by the pandemic. While most did not require additional funding, existing investments may have been rerouted in response.



Suhail Shaker

Head of Enterprise Solution, KPMG QA

“ CIOs looking to prepare their organization to thrive in the new economy, must have a planned approach to cloud computing. It will be essential for CIOs to develop a comprehensive cloud strategy that includes: Cloud and Enterprise transformation, Analytics and Business Intelligence and Artificial Intelligence while maintaining customer centric focus and having strong cyber security defenses and procedures in place. ”



Jasim Abdul Rahman

Group Chief Information Officer, Power International Holding

“ Crises and the need for change constantly test leaders, teams, and organizations. At PIH, we firmly believe in the need for being Agile and evolve rapidly. To ensure that we keep our customers' needs at the front while bringing them the best-in-class services, a digital center of excellence is necessary. PIH has always embraced changes as a primary growth enabler, and COVID solidified that belief as the need for being digital became prominent. PIH will continue to invest in digital to ensure enhanced customer experience while being secure, resilient, and agile. ”



Otman Aghmou

Senior Manager – ICT, Msheireb properties

“ Smart cities are powered by Data, this is even more true post pandemic. It is of paramount importance for the future of the smart city to build a robust data platform with a strong governance, risk and compliance methodology in place to protect the privacy of the data. ”



Adnan Al Banna

Consultant, Support Services, Milaha

“ While in the wake of industry 4.0, today's resilience is all about harnessing the power of artificial intelligence, internet of things and data management in order to be able to proactively predict, avoid, contain and manage the series of disruptions and uncertainties. From my perspective, I believe three areas that warrants most technology investment are: Internet of Things, Data Trustworthiness and Cybersecurity. These three areas are paramount to establish a robust digital supply chain resilience in order to manage disruptions judiciously, i.e., in a prudent, sapient, and wise manner enough to surpass problems in an efficient, fast, and economic way. ”

Rising to the challenge

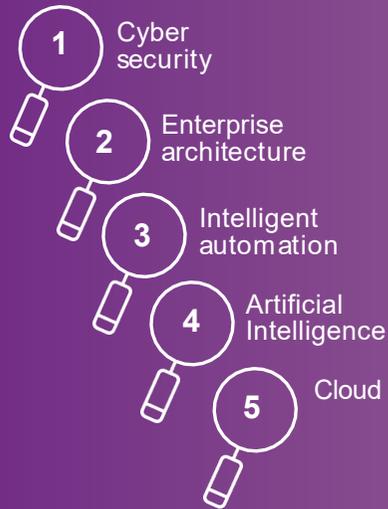
The critical task is to focus ruthlessly on what really matters to business performance and assess how IT can facilitate and enable it. In every scenario, CIOs are faced with tough decisions on how to balance managing cost with increasing performance.

Those with mature tech capabilities – digital leaders – will naturally be in a stronger position and indeed one of the effects of the crisis will be a widening gap between these leader organizations and the rest.

The good news is that while the urgency has changed, many of the CIO imperatives have not and understanding your organization's specific pathway to recovery is key to emerging more competitive into the New Reality.

Resourcing the technology team

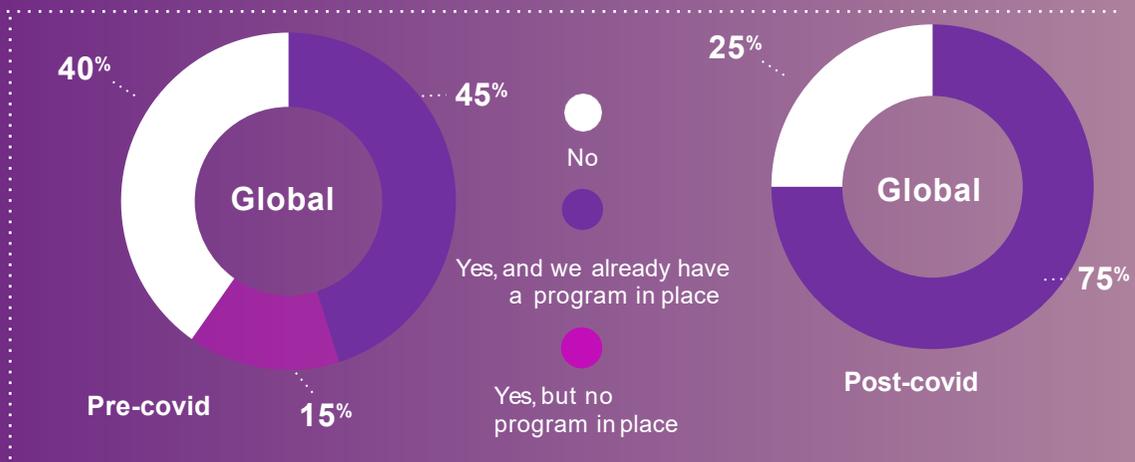
Top five scarcest skills in Qatar



Top factors in engaging with and retaining talent in Qatar



Are you concerned with the mental health and well-being of your team?



Which skills matter?

Technology leaders in Qatar are seeking enterprise architecture skills above all else, followed by AI expertise. Whereas, in the global space, 51% of the respondents believe that cyber security is the most sought-after skill.

Changing values for employees

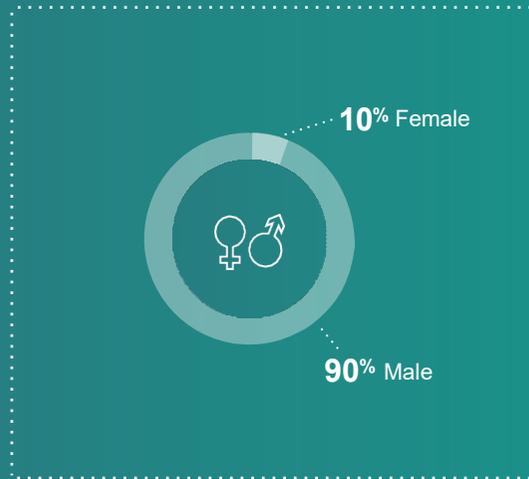
Covid-19 has brought about a shift in what matters to employees. Pre-pandemic, workers valued Brand and reputation most. This dropped to fifth place, as well-defined culture and strong leadership came to the fore. Widespread adoption of remote working practices have benefited both employers and employees, opening doors to new opportunities. In Qatar's competitive IT talent market, digital leaders are prioritizing flexible working conditions over more traditional perks in order to retain and attract talent.

Protecting our workforce

The reality of work during the pandemic has been a challenge, as many adjust to remote working. Cycles of confinement and prolonged social distancing have destabilized lifestyle and highlighted the importance of mental health resources. While the majority of digital leaders have expressed concern for their employees' wellbeing, only one-quarter have a program in place. Although the pandemic has wreaked havoc in many ways, the extra attention given to mental health could result in long-lasting benefits for all.

Being a technology leader

Participation in the survey by gender



Nizar Hneini

Partner, Digital and Innovation, KPMG QA

“ Public and Private Enterprises in Qatar further realized the importance of Digital Transformation during the pandemic. The measures taken till now helped kick start the real transformation for those enterprises. Now they need to make sure their business models can extend to be digitally sustainable utilizing technologies as cloud and AI and leverage the data at their disposal to reach the next level of their digital maturity. ”

Female participation by region



The world needs female leaders

The representation of women among Qatar’s digital leaders tracks closely with global tendencies, at 10%. Gender imbalance has always been prevalent in the technology sector and the ratio of men to women remains relatively stable.

Given the benefits of inclusion, Qatar has a vested interest in promoting female participation at the executive level.

Technology leaders driving inclusivity

As many organizations evolve into technology-led companies, CIOs and leaders across the business are at the forefront of instilling and rethinking diversity and inclusion in tech. The pandemic has brought about a culture of inclusivity in technology teams, according to 70% of those surveyed. This is a full 20% higher than the global average.

Almost two-thirds of digital leaders stated that the pandemic has permanently increased the influence of their role. As technology has become increasingly important over the last six to eight months, so has the role of the technology leader.

To overcome the challenges of the new way of working, organizations continue to accelerate the adoption of digital technologies, requiring increased collaboration between the business and technology teams. Given long-standing efforts to improve connections between front, middle and back offices, it would seem that this shift will bring about positive change.



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