

# The Future of Information Technology

## Navigating our new reality

July 2021

**Rapidly changing market dynamics require today's organisations to not only transform how they deliver their products to customers, but to also reimagine how they deliver technology within their own business – enabling their organisation to adapt at the speed of the market.**

### The challenge



**In this new reality, organisations are experiencing a number of significant challenges:**



Increased complexity, data spread across hybrid, multi-cloud environment



Architecture misalignment with business and not fit for purpose



Challenges with scaling modern ways of working



Increased attack surface and sophistication of threat actors



Inability to adapt and continuously fund technology investments



Challenging expectations of ways of working, leadership, and incentives

**It is becoming clear that there is a growing digital divide between organisations that are already on the path to transformation, and those that are struggling to keep pace.**

### Successful digital leaders are differentiating themselves in three ways:



### The opportunity



**A continuous re-evaluation of their business models** – They understand that customers' needs and expectations are rapidly changing and recognise the importance of adapting accordingly.



**Innovating faster than their competitors** – They have the capabilities to move at the speed of the market with new ideas, leveraging emerging technologies to test, learn, adapt, and bring innovative solutions to market.



**Managing costs while still investing in winning ideas** – They are willing to make the tough decisions, when required, to kill losing ideas and pivot investment to those likely to win.

### Digital leaders are performing better than their competitors in several key areas

2x



Customer trust

3x



Customer/employee experience

3.5x



Increased revenue and profit

4x



Improved operational efficiency

5x



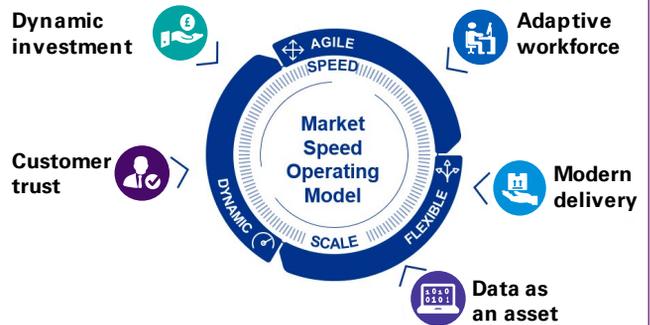
Speed to market

## The KPMG approach



To overcome this growing digital divide, the role of IT and the application of technology in the business must be reimagined to run at market speed – to transform and deliver the products, services, and experiences at the speed that customers expect.

**The market speed operating model is a critical enabler of business performance in the new reality. It is dynamic, with agility and flexibility built in to support the unique characteristics of each portfolio.**



**To create a market speed operating model, digital leaders embrace five enabling capabilities:**



**Adaptive IT workforce** – develop an IT workforce strategy that matches evolving technology skills with organisational growth, while accommodating changing employee expectations and ways of working. The adaptive workforce shapes the development of the IT workforce and influences the development of the broader ‘technologist’ workforce to enable the enterprise with technology capabilities.



**Modern delivery** – leverage modern delivery techniques, like product management, Scaled Agile, and DevSecOps, to accelerate design and delivery of key products. Modern delivery focuses on optimising and integrating the IT value delivery chain, and enables IT to drive digital transformation programs through frequent delivery of secure, stable software.



**Data as an asset** – unlock the value of information with a data-capable workforce that uses new tools and data sources to create business insights. Data as an asset is not only about how organisations of the future manage their data, but also about building the architecture and organisation, selecting leaders and defining culture, to translate data into a critical organisational asset.



**Customer trust** – build technical trust with an IT function that serves and protects customers and manages technology risk. Customer trust is about maintaining product sustainability in today’s environment of more informed and demanding customers, and requires a focus on technical trust within the organisation and product lifecycles.



**Dynamic investment** – adjust funding policies to account for new ways of working and show the financial connection between IT spend and business value. Dynamic investment is specifically related to re-engineering the finance and funding processes of the IT organisation to rapidly pivot, seize new opportunities, quickly exit poorly performing investments.

**The hardest part is often knowing where to start, but as good a place as any is asking yourself some critical questions:**

Where will our skills shortages, ways of working, and cultural issues likely impact us most?

How do we accelerate delivery and innovation while reducing the silos that limit our agility?

How do we make our data available and reusable, quickly with reduced proliferation?

How can we instill the principles of technical trust into all delivery models?

How can we remove funding friction and estimate value?

**KPMG are here to help, wherever you are on your transformation journey.**

## Contact us

For further information on how KPMG can help your business, please contact us:



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## Getting started