

Harvey Nash/KPMG CIO Survey 2017

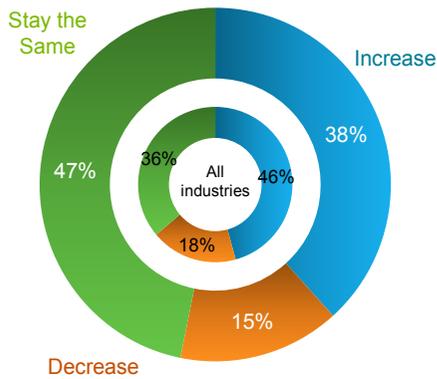
Local/State Government Sector Findings

The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,500 respondents across 86 countries, representing over US\$300bn of IT budget spend.

This local/state government sector snapshot provides survey responses from 118 local government entities on some of the key topics, and highlights several areas where this sector's responses differed significantly from those from across all sectors.

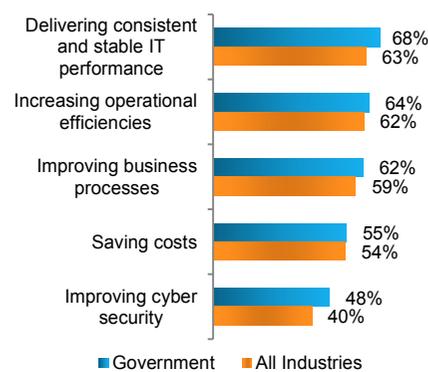
Key Topics

Looking forward, over the next 12 months, do you expect your IT budget to?



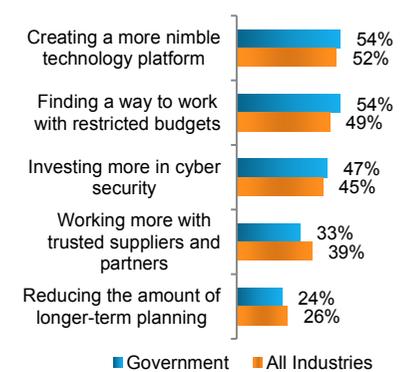
Local government entities are **more pessimistic about their IT budgets for next year** than other sectors, with much fewer expecting a budget increase (38% vs 46% for all sectors).

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



Compared to other sectors, local government places a **greater emphasis on delivering consistent and stable IT** (68% vs. 63% for all sectors) and **improving cybersecurity** (48% vs. 40%).

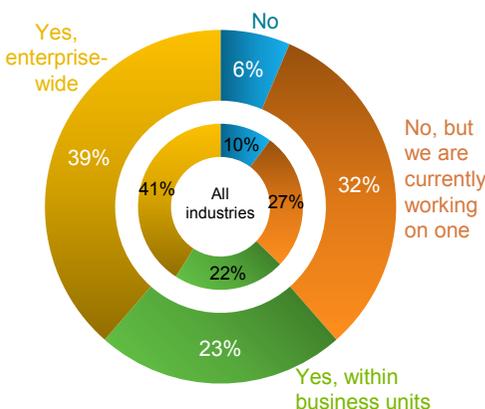
How have you adapted your technology plans to deal with uncertainty? (top 5)



Local government entities **deal with uncertainty in much the same ways as their cross-sector peers**. They are slightly more likely to focus on finding ways to deal with restricted budgets (54% vs. 49% for all sectors).

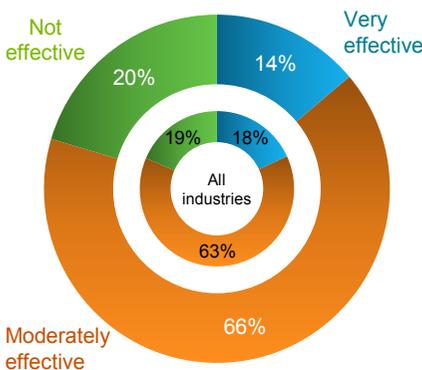
Digital Strategy

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



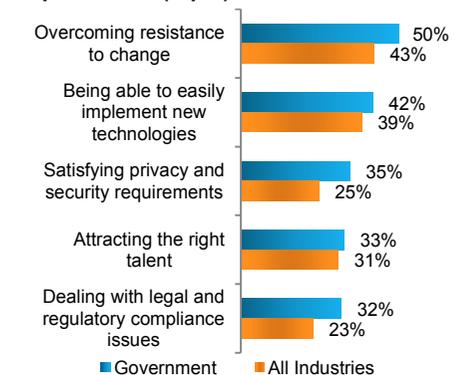
Local government entities are **roughly equally likely to maintain a digital business strategy** as other sectors, either enterprise-wide (39% vs. 41% for all sectors), or within business units (23% vs. 22%).

How effective has your organization been in using digital technologies to advance its business strategy?



Local government entities **report low overall effectiveness levels in their digital strategies**, with just 14% describing their digital strategies as very effective, compared to 18% for all sectors.

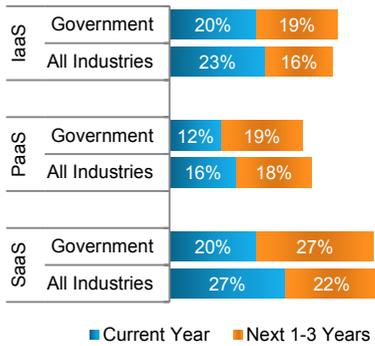
Which of the following represent the greatest challenges to your organization's successful implementation of digital capabilities? (top 5)



When implementing digital capabilities, local government entities **face much greater challenges satisfying privacy/security requirements** (35% vs. 25% for all sectors), and **dealing with compliance issues** (32% vs. 23%).

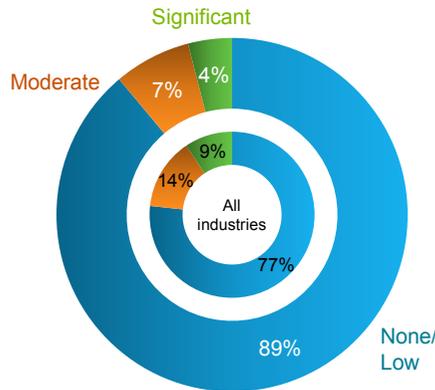
Technology & Innovation

How would you characterize your current investment in the following cloud services and how do you expect that to change over time? (Significant Investment)



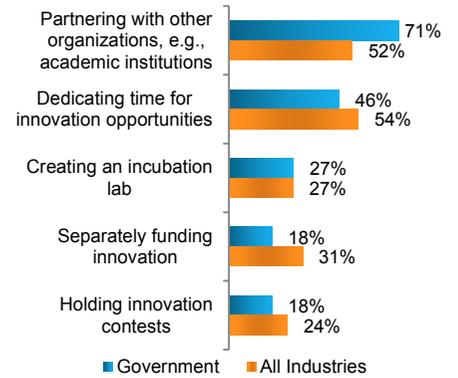
Compared to other sectors, local government entities are **somewhat less likely to currently invest significantly in all types of cloud services**, though they expect to increase investment more in the future.

How would you characterize your current investment in digital labor?



Local government **has invested less heavily in digital labor** than other sectors, with fewer making both significant investments (4% vs. 9% for all sectors) and moderate investments (7% vs. 14%).

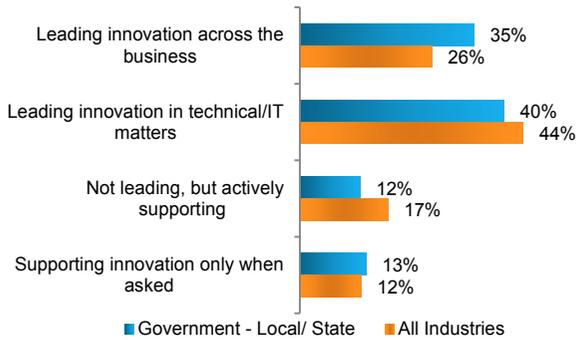
In which of the following ways is your organization fostering innovation?



To foster innovation, local government entities are **much more likely to partner with other organizations** (71% vs. 52% for all sectors), and are **less likely to undertake most other activities**.

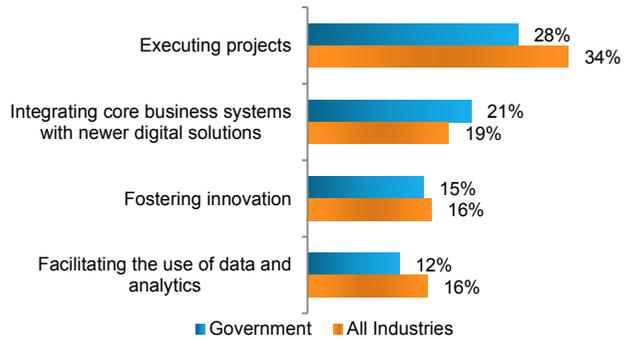
Significant Differences

Which of the following do you think best describes the role your organization's CIO is currently playing in promoting innovation?



Compared to peers in other sectors, local government CIOs are **more likely to lead innovation across the business** (35% vs. 26% for all sectors), and are **less likely to lead in technical/IT matters** (40% vs. 44%), or to take secondary, supporting roles.

How effective is your IT organization in each of the following capabilities? (Very Effective)



Local government entities **lag behind cross-sector effectiveness benchmarks in executing projects** (28% vs. 34%), but are **roughly as effective in next-generation capabilities** such as integrating core systems with newer digital solutions, fostering innovation and facilitating the use of data and analytics.

Conclusions

The role of the State and Local Government (SLG) CIO is at an inflection point. While there is continued emphasis on delivering a stable, consistent, and secure IT environment, there is an increasing push to drive operations & maintenance costs down through IT Transformation so that the cost reductions can fund modernization of aging systems, and bringing forward innovative digital capabilities to better enable the business and engage with citizens. The role of the SLG CIO is evolving to become an enabler of business through the use of technology which is leading a shift towards the CIO becoming a master services integrator (MSI) of in-house and external capabilities.

Further information

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