

# Harvey Nash/KPMG CIO Survey 2017

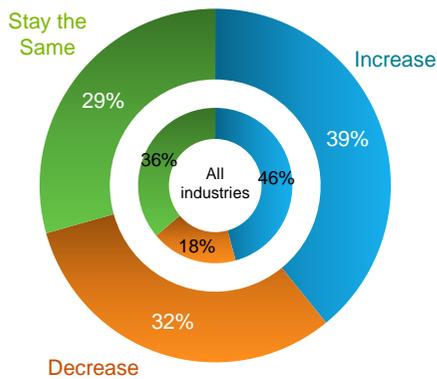
## Energy Sector Findings

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 energy sector snapshot provides survey responses from more than 100 energy companies on some of the key topics, and highlights several areas where this sector's responses differed significantly from those from across all industries.

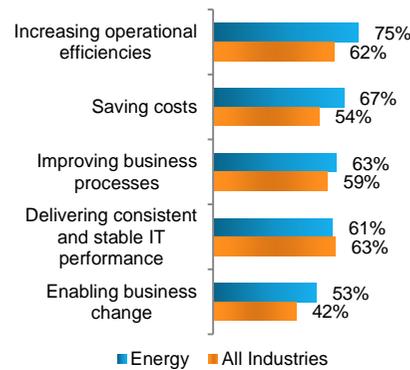
### Key Topics

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



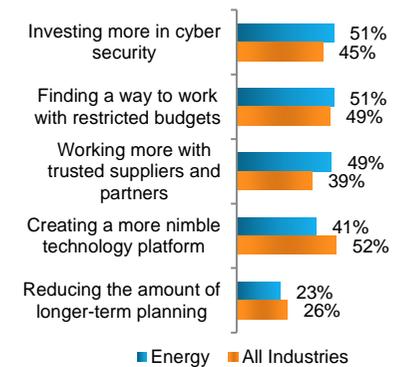
Energy companies are **much more pessimistic about their IT budgets for next year** than those in other industries, with fewer expecting a budget increase (39% vs. 46% for all industries), and more expecting a decrease (32% vs. 18%).

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



Energy company Boards **place a much greater emphasis on increasing operational efficiencies** (75% vs. 62% for all industries), **saving costs** (67% vs. 54%) and **enabling business change** (53% vs. 42%).

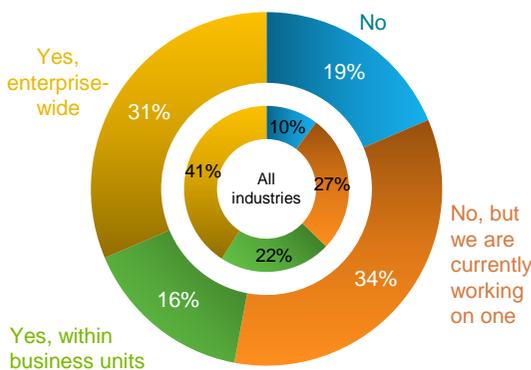
How have you adapted your technology plans to deal with uncertainty? (top 5)



To deal with uncertainty, energy companies are **much more likely to work more with trusted suppliers and partners** (49% vs. 39% for all industries), and **much less likely to create a more nimble technology platform** (41% vs. 52%).

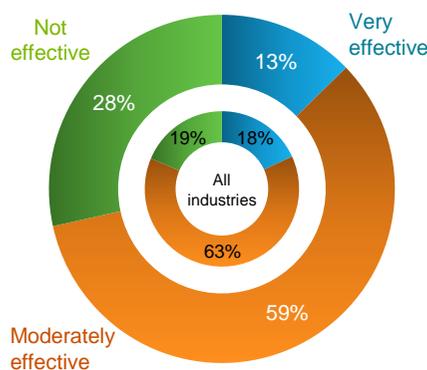
### Digital Strategy

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



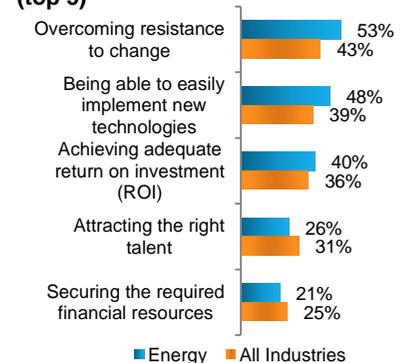
Energy companies are **less likely to maintain a digital business strategy** than those in other industries, either enterprise-wide (31% vs. 41% for all industries), or within business units (16% vs. 22%).

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



Like their peers in other industries, energy companies **report low overall effectiveness levels in their digital strategies**, with just 13% describing their digital strategies as very effective.

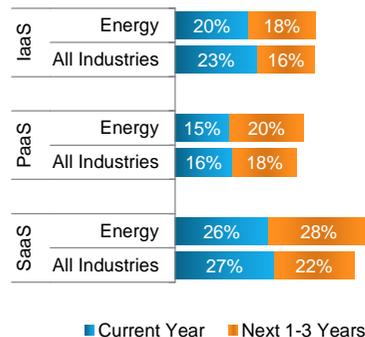
Which of the following represent the greatest challenges to your organization's successful implementation of digital capabilities? (top 5)



When implementing digital capabilities, energy companies **face much greater challenges overcoming resistance to change** (53% vs. 43% for all industries) and **being able to easily implement new technologies** (48% vs. 39%).

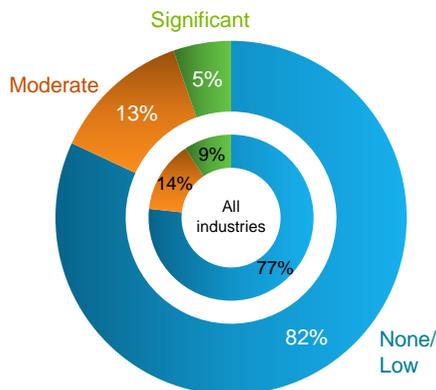
## Technology & Innovation

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



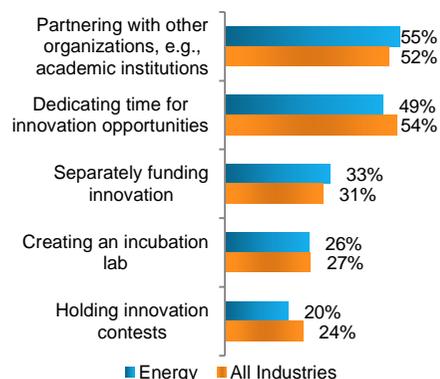
Compared to other industries, energy companies are **roughly equally likely to invest significantly in all types of cloud services**, and expect to greatly increase investments in the next 1 – 3 years. .

How would you characterize your current investment in digital labor?



Energy companies **have invested less heavily in digital labor** than those in other industries, with fewer making significant investments (5% vs. 9% for all industries) and roughly the same making moderate investments (13% vs. 14%).

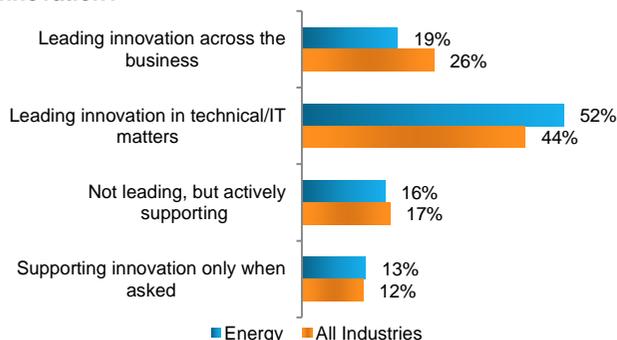
In which of the following ways is your organization fostering innovation?



To foster innovation, energy companies **tend to rely upon the same methods** as other industries, though they are somewhat less likely to dedicate time for innovation opportunities (49% vs. 54%).

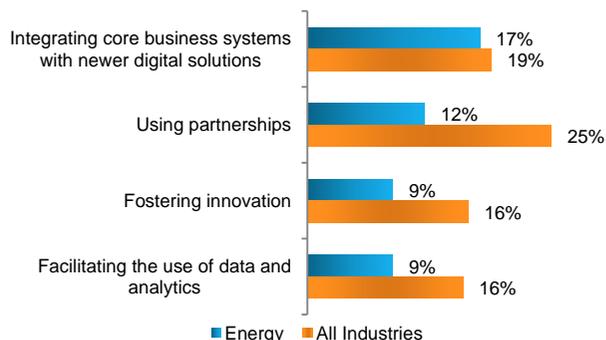
## Significant Differences

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



Compared to their peers, energy CIOs are **less likely to lead innovation across the business** (19% vs. 26%), **more likely to lead innovation in technical/IT matters** (52% vs. 44%), and **equally likely to take secondary, supporting roles**.

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



Compared to their peers in other industries, energy companies **lag in key capabilities**, with far fewer very effective in **using partnerships** (12% vs. 25% for all industries), **facilitating the use of data and analytics** (9% vs. 16%), and **fostering innovation** (9% vs. 16%).

## Conclusions

Survey respondents in the Energy sector (the majority being Oil and Gas [O&G] companies) are much more pessimistic about their IT budgets for next year compared to those in other industries, and their boards are asking them to place a greater focus on increasing efficiencies and cost savings. This is not surprising given the uncertainty in the global economy and long-term hydrocarbon price, which is leading many to take a conservative approach to IT investment.

The survey results also show a lagging industry when it comes to adopting digital technologies – energy companies are less likely to have a digital strategy in place. They also face much greater challenges when overcoming resistance to change.

They are investing less heavily in digital labor when compared to their peers in other industries. Embracing new technologies can help to address many of the challenges the industry is currently facing – such as increased use of cognitive and machine learning solutions as a way of reducing reliance upon an experienced ageing workforce and cost reduction due to automation of business processes.

## Further information

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