

THE TRANSFORMATIONAL CIO

Harvey Nash/KPMG CIO Survey 2018

Transport/Logistics Industry Findings

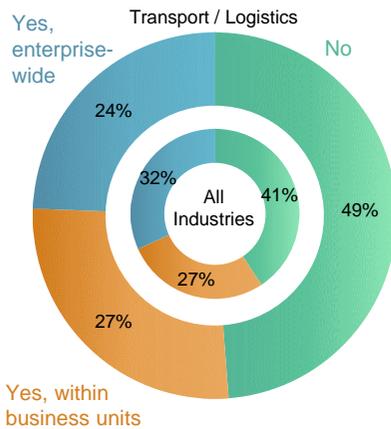


The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,000 respondents across 84 countries, representing over US\$300bn of IT budget spend.

This Transport/Logistics industry snapshot provides survey responses from 144 IT leaders on some of the key topics, and highlights several areas where this industry's responses differed significantly from those across all industries.

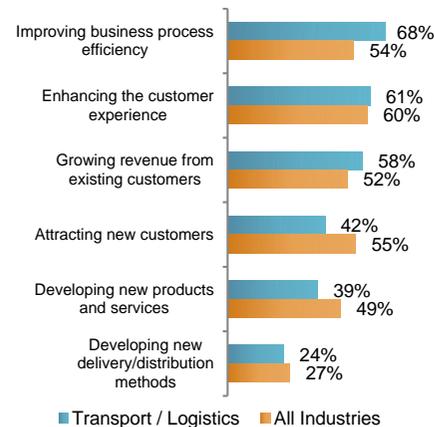
Digital Strategy

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



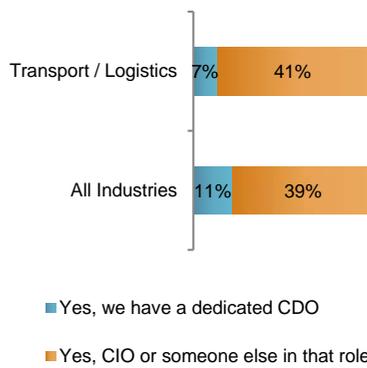
Transport / Logistics companies are **less likely to maintain an enterprise-wide digital business strategy than others** (24% vs. 32% for all industries). Overall, only half have a clear digital strategy of any sort.

Which are the most important goals when prioritizing digital technology initiatives in your organization?



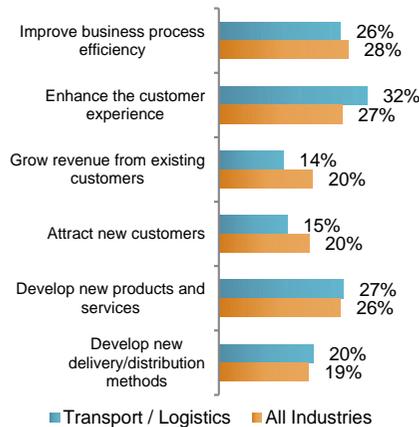
When prioritizing digital investments, Transport / Logistics companies **heavily focus on improving business process efficiency** (68% vs. 54% for all industries) and **enhancing the customer experience** (61% vs. 60%).

Does your organization have a Chief Digital Officer or someone serving in that capacity?



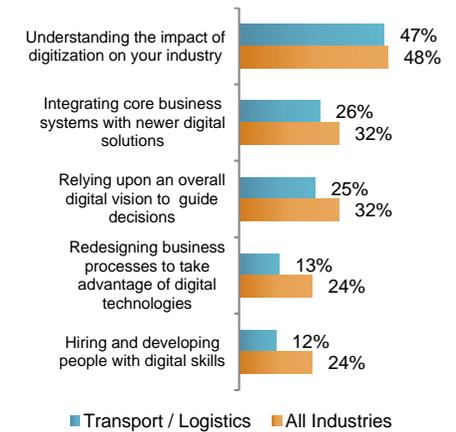
48% of Transport / Logistics companies have a CDO or equivalent, with 7% having a dedicated CDO, and 41% with a CIO or equivalent. Overall, Transport/Logistics is on a par with all industries in having a single executive lead digital strategy.

How effective has your organization been in using digital technologies to advance the following goals? (Very/Extremely Effective)



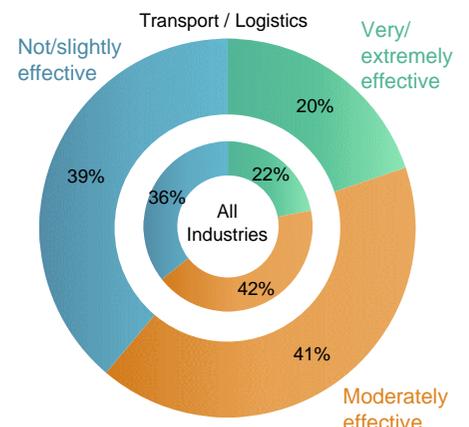
While Transport / Logistics **slightly trails cross-industry peers in its effectiveness in using digital to improve business process efficiency** (26% vs. 28% for all industries), it leads others in using it to enhance the customer experience (32% vs. 27%).

How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Transport / Logistics lags behind other industries with respect to effectiveness in key digital capabilities. Transport/Logistics is **most effective at understanding the impact of digitization** (on a par with all industries), but **struggles with hiring and developing people with digital skills** (12% vs. 24%).

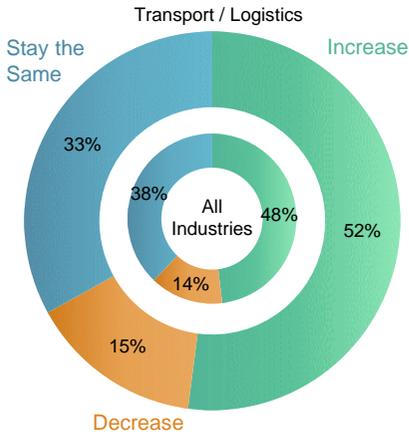
Overall, how effective has your organization been in using digital technologies to advance its business strategy?



Similar to other industries, Transport / Logistics companies **report low overall effectiveness in using digital technologies to advance business strategy**, with just 20% describing their digital strategy as very effective or better, and 39% describing it as slightly effective or not effective.

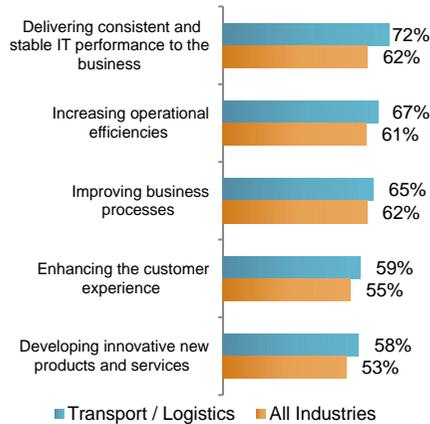
Budget/Priorities

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



Transport / Logistics companies are **somewhat more optimistic about their IT budgets than other industries**, with 52% expecting an increase in their IT budgets, higher than the cross-industry average of 48%.

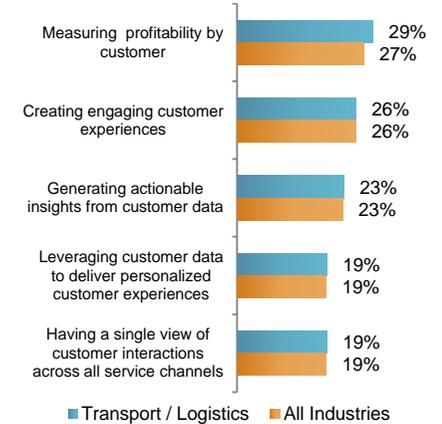
What are the key business issues that your management Board are looking for IT to address? (top 5)



Compared to priorities in other industries, Transport / Logistics management Boards **more heavily emphasize "core" IT goals** such as delivering consistent and stable IT performance (72% vs. 62% for all industries), increasing operational efficiencies (67% vs. 61%) and improving business processes (65% vs. 62%).

Customer Capabilities

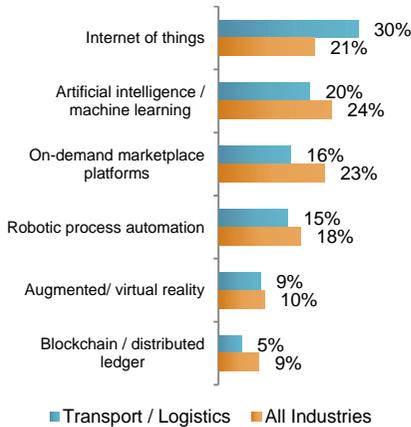
How effective is your organization at each of the following capabilities? (Very/Extremely Effective)



Like other industries, Transport / Logistics companies **lack effectiveness in five critical customer-focused capabilities**, with no more than 29% rating themselves very effective in a specific capability. Despite investment in enhancing the customer experience, Transport / Logistics companies rate themselves weakest at leveraging data to deliver personalized experiences and having a single view of interactions across all service channels (19%).

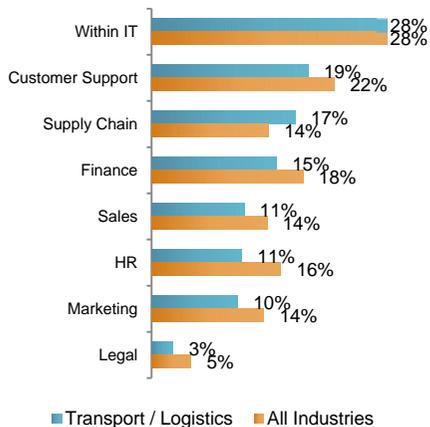
Technology & Innovation

How would you characterize your investment in the following technologies? (Moderate/Significant Investment)



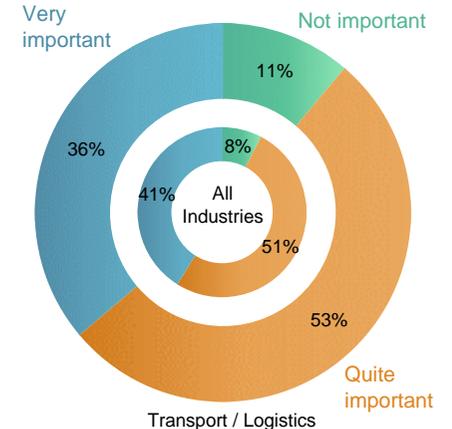
Of next-generation technologies, Transport / Logistics companies **have invested significantly more in the Internet of Things than others** (30% vs. 21% for all industries), with modest investments in most other technologies.

In which functions have you implemented digital labor / automation?



Digital labor remains in its relative infancy both in Transport / Logistics and elsewhere. Like other industries, Transport / Logistics companies have focused **digital labor / automation efforts within IT** (28% vs. 28% for all industries) **and in Customer Support** (19% vs. 22%).

How important is it to have an innovative, experimental culture in your organization to ensure its digital strategy is a success?



As with companies in other industries, Transport / Logistics companies **view having an innovative culture as a critical component in the success of their digital strategies**, with 89% viewing it as very or quite important.

Conclusion

Transport & Logistics sector companies are accelerating their investment in digital at pace, responding to a variety of push and pull factors including: keeping pace with significant advances in Artificial Intelligence and Automation (e.g. Autonomous Vehicles), competition from digital disruptors, meeting constantly-evolving customer expectations in delivering digital experiences; and, delivering more capacity without building extra infrastructure or procuring new fleet.

However this investment continues to be predominantly within silos, both from a business unit perspective (especially within federated groups and multi-agency transport authorities) and across services (predominantly customer, asset / fleet management and network operations). There is a clear need for enterprise-wide digital strategies to deliver pan-organizational benefits. Investments in platforms and apps also require investment in capabilities to exploit the data being generated (e.g. to create singular views of customers and design & deliver personalized experiences).

This said, investment in technology by Transport / Logistics sector companies is now being recognized in the market, changing the paradigm on the ability to recruit and retain the best digital skills.

Further information

Ben Foulser

Head of Transport Technology
KPMG in the UK
T: +44(0) 207 311 2083
E: ben.foulser@kpmg.co.uk

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