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 Power & Utilities industry snapshot provides survey responses from 98 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?

![Yes, enterprise-wide](38%)  
All Industries  
38%  
No  
42%  
Power & Utilities  
32%

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

Power & Utilities  
16%  
Yes, we have a dedicated CDO  
40%  
Yes, CIO or someone else in that role

All Industries  
11%  
39%

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

- Understanding the impact of digitization on your industry: 47% (Power & Utilities), 48% (All Industries)
- Integrating core business systems with newer digital solutions: 36% (Power & Utilities), 32% (All Industries)
- Redesigning business processes to take advantage of digital technologies: 35% (Power & Utilities), 24% (All Industries)
- Relying upon an overall digital vision to guide decisions: 32% (Power & Utilities), 32% (All Industries)
- Hiring and developing people with digital skills: 27% (Power & Utilities), 24% (All Industries)

Power & Utilities companies are more likely to maintain an enterprise-wide digital business strategy than those in other sectors (38% vs. 32% for all industries), with 57% having a clear strategy either enterprise-wide or within business units.

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

- Improving business process efficiency: 72% (Power & Utilities), 54% (All Industries)
- Enhancing the customer experience: 67% (Power & Utilities), 60% (All Industries)
- Developing new products and services: 53% (Power & Utilities), 49% (All Industries)
- Attracting new customers: 35% (Power & Utilities), 55% (All Industries)
- Growing revenue from existing customers: 33% (Power & Utilities), 52% (All Industries)
- Developing new delivery/distribution methods: 33% (Power & Utilities), 27% (All Industries)

Power & Utilities companies are slightly more effective than others at using digital to improve business process efficiency (31% vs. 28% for all industries). However, they are much less effective at using it to grow revenue from existing customers (11% vs. 20%).

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

- Not/slightly effective: 42% (Power & Utilities), 42% (All Industries)
- Very/extremely effective: 16% (Power & Utilities), 22% (All Industries)
- Moderately effective: 20% (Power & Utilities), 20% (All Industries)

Power & Utilities companies report lower overall effectiveness levels in their digital strategies than others, with just 16% describing their digital strategies as very effective or better versus 22% for all industries.
Power & Utilities companies are less optimistic about their IT budgets for next year than those in other industries. 44% expect an increase in their IT budgets, compared to an all-industries average of 48%, and many more expect their budgets to decrease.

Compared to those in other industries, Power & Utilities Boards more heavily emphasize increasing operational efficiencies (71% vs. 61% for all industries) and improving business processes (69% vs. 62%). They also place a much higher priority on improving cyber security (68% vs. 49%).

Technology & Innovation

Power & Utilities companies have invested more heavily in the Internet of Things than any other industry (48% vs. 21% for all industries). The have also made significant investments in artificial intelligence / machine learning (29% vs. 24%).

Power & Utilities companies have implemented digital labor / machine learning more often than others across all corporate functions. They are most likely to have implemented it within IT (32%), and in customer support (31%).

Customer Capabilities

Like other industries, Power & Utilities lacks effectiveness in five critical customer-focused capabilities. On average, no more than roughly a quarter rate themselves at least very effective at any. The opportunity to improve capabilities in measuring profitability by customer and leveraging customer data to deliver personalized experiences are significant for Power & Utilities.

Conclusion

Power & Utilities companies invested in smart meters before the term IoT even existed. Their early commitment enables them to reap the benefits of the data the smart meters provide. Their next step is to find new and innovative ways to create insight from this data to create micro offers and enhance the customer experience which is an area of opportunity for them.

The CIO survey highlights the importance of driving a digital agenda within the sector. Power & Utilities look to digital technologies to improve business process efficiencies as their top priority followed by enhancing the customer experience.

With increased security and technology risks, managing cyber security risks is critical to the sector. Compared to other industries, Power & Utilities are placing a higher priority on improving cyber security. The importance of critical infrastructure to the lives of people and businesses has made cyber security a boardroom and C-level issue.