

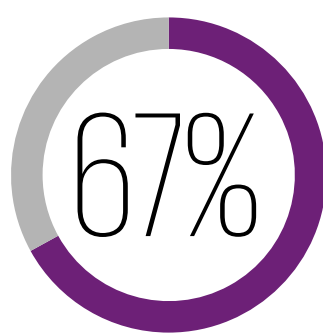
The future of IT

A future-ready IT function is at the heart of a future-ready enterprise

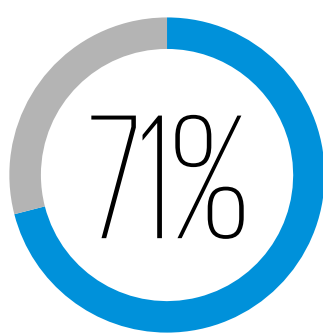
There is no longer business strategy and technology strategy. There is just strategy, and technology is driving it.

The opportunity for IT is to remove friction and enable a truly **connected enterprise** - aligning the front, middle and back office to become a customer-centric, digitally enabled business, engineered for profitable growth.

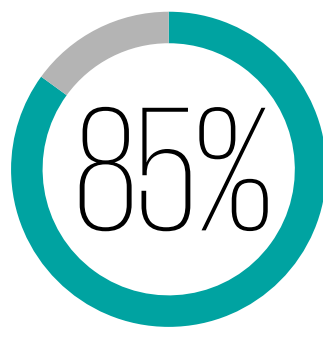
...but ambition and ability are not aligned



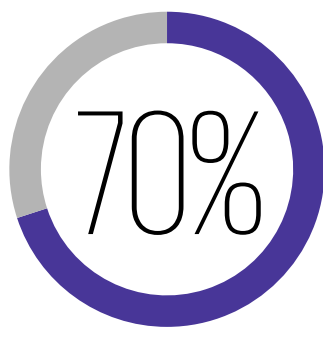
of CEOs say acting with agility is the new currency of business¹



of CEOs say their company's growth relies on its ability to challenge and disrupt business norms¹



of companies expect to transform their primary business activity in the next 3 years²



of CIOs believe their digital strategy is only moderately effective or worse²

...and six trends are influencing IT functions

Demand for data & insights

Only **17%** of companies are "very effective" at maximizing value from the data they hold²

Increased investment

55% of IT leaders had budget increases in the past year, highest levels in 15 years²

Battle for skills

67% of IT leaders are reporting a lack of skills holding back their strategies²

Cyber threat

32% of companies reported a major cybercrime in the last 2 years²

Business managed IT

64% of companies now allow 'business-managed IT' spend and 1 in 10 actively encourage it²

Intelligent automation

33% of organizations plan to replace more than 20% of roles with AI/automation within 5 years²

In response, the IT function must evolve

Six elements needed to deliver business value:



Market speed

Realign capabilities, people, architectures, and ways of working to enable the delivery of new products and services at variable speeds and scale



Dynamic investment

Deploy a "think like a VC" portfolio investment approach and leverage lean financial processes to drive dynamic and continuous funding of technology and investments



Modern delivery

Integrate business, engineering, testing and operations into full stack teams, automating large portions of the value chain



Flexible IT workforce

Develop a 360 degree view of the IT workforce, including business, technical, and virtual skills, to create a flexible ecosystem of talent



Data as an asset

Establish rules of engagement, make data fluency and business driven data curation a strategic imperative and reimagine a frictionless data supply chain



Customer trust

Instill technical trust throughout the organization, delivering intrinsically safe products and services, to influence perceived trust for customer value

Start your change journey today

Key next steps to becoming a market speed organization:

- Secure leadership alignment on objectives and priorities
- Assess operating model readiness to deliver the promise of a connected enterprise
- Develop a holistic, integrated transformation plan. Be sure to include interdependent operating models such as procurement, finance, HR, sales and operations
- Put cultural change and a principles led approach at the center of the transformation

For more on the Future of IT, please visit kpmg.com/Future-IT

Sources:

- KPMG CEO Outlook 2019
- Harvey Nash / KPMG CIO Survey 2019



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