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

96% of companies are focused on transformation\(^1\)

71% of CEOs are personally ready to lead radical organizational transformation\(^1\)

83% of executives are not confident their business can build and implement a new operating model\(^1\)

78% of CIOs believe their digital strategy is only moderately effective or worse\(^1\)

…and six trends are influencing IT functions

Empowered customer

Customer-centric companies are 38% more likely to report greater profitability than ones that are not\(^3\)

Cyber threat

33% of companies reported a major cybercrime in the last 2 years\(^3\)

Intelligent automation

78% of CIOs believe their digital strategy is only moderately effective or worse\(^1\)

Battle for skills

60% of IT leaders are reporting a lack of skills holding back their strategy\(^1\)

Demand for data & insights

Only 22% of companies are "very effective" at generating actionable insights from customer data\(^1\)

In response, the IT function must evolve

Six elements needed to deliver business value:

Market speed

Relying on capabilities, people, architectures, and ways of working to enable the delivery of new products and services at variable speeds and scales

Dynamic investment

Deploying a "think like a VC" portfolio investment approach and leveraging financial resources to invest dynamically and continuously in technology and investments

Modern delivery

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

Flexible IT workforce

Developing 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

Evolving functional data assets into key demands for actionable customer insights, transparency to risk and opportunity, and operational efficiency

Customer trust

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

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

In response, the IT function must evolve

Start your change journey today

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

\(^1\) KPMG Global Transformation Study 2016
\(^2\) KPMG CEO Outlook 2018
\(^3\) Harvey Nash / KPMG CIO Survey 2018

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