2018 Global Digital IQ® Survey

Regional focus: Middle East & Africa

The case for digital transformation has been made, and organisations across industries are committed to change. But there is no one-size-fits-all approach to going digital, as leadership focuses on unique business conditions and the experiences of their diverse customers and employees.

PwC worked with Oxford Economics to survey 2,280 executives in more than 60 emerging and developed countries and 15 sectors. The sample included 175 responses in the Middle East and Africa (MEA), with representation from Nigeria, South Africa, Saudi Arabia, the UAE, and a handful of other countries. The results show that MEA companies must increase their focus on talent and leadership to realise value from digital investments.

Divergent digital aspirations

Strategic goals drive technology adoption and implementation. Like others around the world, executives in MEA have varying aspirations for digital: to modernise their brand, to become more efficient, to change their core business model, and to break into new markets. Respondents in MEA are more likely than others to focus on expanding to new markets.

Yet MEA respondents may not be focused enough on digital transformation. Only 35% say all of their transformation efforts have a digital component (vs. 43% globally), and only 59% say they have a clear direction for digital transformation (vs. 69% globally). This could be because many are underestimating the consequences of not embracing digital—just 21% in the region say they face a serious threat from digital disruption (vs. 31% globally).

Goals for digital transformation

16% MEA | 23% World

Efficiency seekers:

To do what we have always done, just faster and more efficiently

35% MEA | 36% World

Modernisers:

To modernise our brand with new capabilities

22% MEA | 23% World

Redefiners:

To change our core business model and redefine our company

27% MEA | 18% World

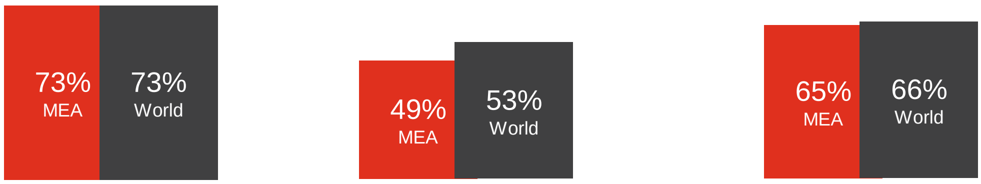
Industry explorers:

To break into new markets or industries

pwc

Leadership is strong

Senior management at companies in the Middle East and Africa are committed to digital transformation and taking steps to foster innovation among the workforce.



Our CEO is a champion for digital strategy

Senior management encourages innovation at the mid-management and employee level

We have empowered individuals across the business to make important decisions

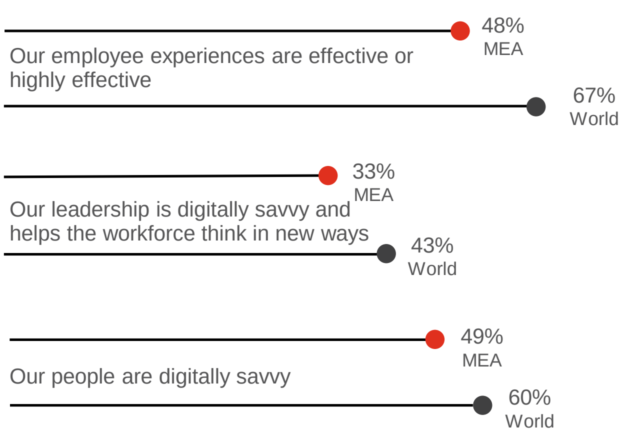
Q: To what extent do you agree with the following statements? “Agree” and “strongly agree” responses

The experience imperative

Improving the employee experience is critical to successful digital initiatives, as companies increasingly rely on their workforces to drive transformation.

MEA executives are engaging the workforce with their transformation processes (55% say so, vs. 57% globally), but may lack the leadership prowess to encourage innovation: just one-third say their leadership is digitally savvy. They also are less likely to say their digital tools and operations make it easier for employees to do their jobs (54% vs. 63%) or that their space facilitates collaboration (55% vs. 64%).

Taking steps to foster innovation among the workforce



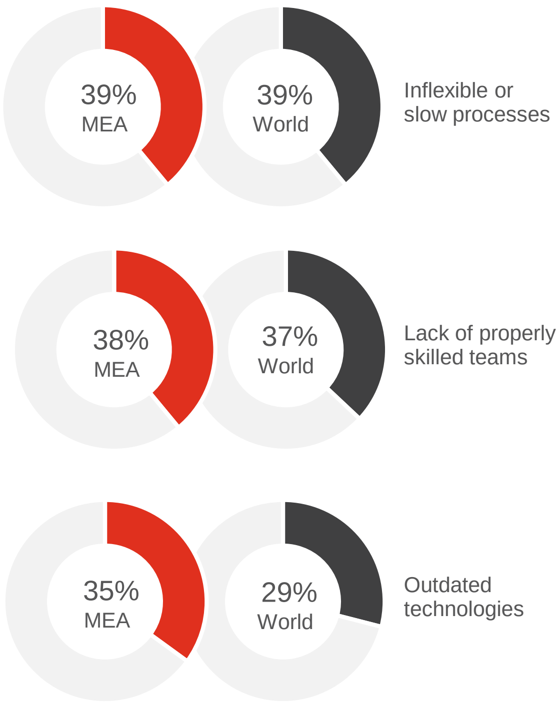
Obstacles on each course

Organisations in MEA and around the world face similar challenges on their path to digital transformation, most of which center around updating internal processes, skills, and workflows.

In MEA and elsewhere, inflexible processes and a lack of properly skilled teams are the top two barriers to digital initiatives, followed by outdated technologies.

To overcome these obstacles, MEA executives should focus on investments in digital processes, training, and technologies. Yet 59% of MEA respondents say a lack of strategic focus on training is a barrier to upskilling the workforce (vs. 46% globally), and many are behind the curve in terms of their investment in emerging technologies.

Top barriers to successful digital initiatives

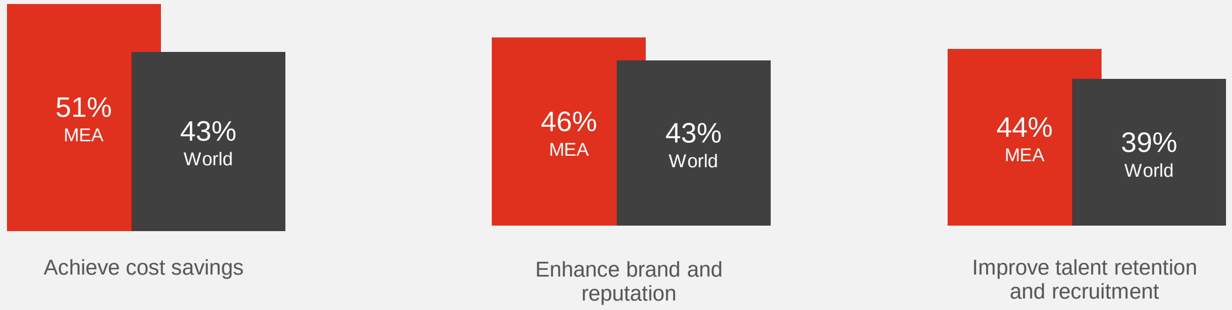


The path to value

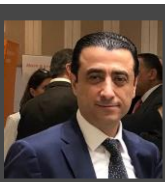
MEA executives are focused on cost savings, reputation, and talent recruitment and retention as they make investments in digital technologies. Of those expecting value in an enhanced reputation, 26% have realised more value than they expected (vs. 35% globally). Meanwhile, just 10% of MEA respondents expecting value in talent recruitment and retention have realised more than expected (vs. 29% globally). Better customer experiences and improved decision-making are the areas most likely to have yielded value to date.

To increase the likelihood of realising value from digital investments, executives should set a clear goal for digital transformation, and focus more on developing the talent and leadership needed to make it happen.

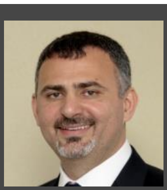
Top areas of expected value from digital investments



Contact us for more information



Imad Abuizz
PwC | Technology Leader
Tel: +966 11 2110400 |
Mobile +966 50 4263 478 (KSA) /
+971 56 433 2478 (UAE)
Email: imad.abuizz@pwc.com



Eyad Al-Musa
PwC | Partner, ME Healthcare IT Leader
Tel: +974 4419 2881 |
Mobile: +974 5535 1403 |
+966 54 042 0572 (KSA)
Email: eyad.al-musa@pwc.com

Ahmad Abu Hantash
PwC | Partner - Technology Consulting
Tel: +971 4304 3385 |
Mobile: +971 56 682 0640
Email: ahmad.abuhantash@pwc.com

Danny Karam
PwC | Partner - Digital & Technology
Tel: +971 4 304 3710 |
Mobile: +971 50 668 0520
Email: danny.karam@pwc.com

About the research

This year's Digital IQ survey was fielded in the first quarter of 2018 and included responses from the following demographics.

Geography: Argentina (1%), Australia (7%), Austria (1%), Belgium (1%), Brazil (2%), Bulgaria (<1%), Cambodia (1%), Canada (4%), Chile (<1%), China (8%), Colombia (1%), Croatia (1%), Cyprus (1%), Czech Republic (1%), Denmark (1%), Ecuador (<1%), Finland (1%), France (2%), Germany (3%), Greece (3%), Hong Kong (2%), Hungary (1%), India (5%), Indonesia (1%), Italy (2%), Japan (5%), Latvia (<1%), Malaysia (1%), Mexico (2%), Moldova (<1%), Netherlands (1%), New Zealand (1%), Nigeria (<1%), Norway (<1%), Paraguay (<1%), Peru (1%), Philippines (1%), Poland (3%), Portugal (1%), Romania (<1%), Russia (1%), Saudi Arabia (1%), Serbia (<1%), Singapore (2%), South Africa (2%), Spain (2%), Sri Lanka (1%), Sweden (1%), Switzerland (1%), Taiwan (1%), Thailand (1%), Turkey (1%), UAE (1%), UK (2%), Ukraine (1%), Uruguay (<1%), US (16%), and Vietnam (1%).

Industries: Technology (6%), Media (6%), Telecommunications (6%), Energy (6%), Mining (6%), Utilities (6%), Consumer Markets (6%), Industrial Products (6%), Public Sector (6%), Private Equity (6%), Asset and Wealth Management (6%), Banking and Capital Markets (6%), Insurance (6%), Health Services (6%), Pharma and Life Sciences (6%), and handful of other sectors.

Company size: Across the survey sample, companies ranged from less than $250 m in revenue to more than $50 billion; in the Middle East and Africa, 54% of respondents report under $1 bn in revenue.

For more insights on our Digital IQ Survey, download our global report at www.pwc.com/digitaliq.