
Press release

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Number of pages **3**

Slovak and Czech companies use digital technologies to control costs and processes, but underestimate their importance for key business activities – to win customers and attract talent

Bratislava, 14 March 2016 - Slovak and Czech companies underestimate the importance and benefits of digital technologies to future revenues compared with Western European companies. This is a key finding of PwC's Digital IQ 2015 survey. The survey examines how top managers control and manage investments in digital technologies so that they contribute to the sustainable development of companies. The study analysed 25 factors, and almost 2,000 executive directors from 51 countries shared their opinions and experience.

Slovak and Czech companies are insufficiently prepared to introduce digital technologies compared to Western European, and particularly UK companies

- 26% of Slovak and Czech companies **do not have a digital strategy**, whereas in the UK this figure is only 4% and in Western Europe 12%
- 39% of Czech and Slovak companies consider digital strategies to be **a synonym for IT**, in the UK this figure is 17%
- 50% of Slovak and Czech companies and 19% of UK companies do not have a Chief Digital Officer
- 81% of UK managers regard a CEO as a digital leader, in the Czech Republic and Slovakia this figure is 59%
- 31% of Czech and Slovak companies state that they **do not have the technological abilities to implement digital goals**, whereas in the UK this figure is only 6%
- 31% of Slovak and Czech companies, as against 76% of UK companies, believe that they have the required skills to implement digital goals,
- 90% of UK companies, but only 41% of Slovak and Czech companies, **have clearly determined tasks and responsibilities for establishing a digital company** across all the functions - IT, marketing, product development, analytics etc.

- Up to 71% of Slovak and Czech companies, but only 18% of UK and 35% of Western European companies think that in the future **ineffective project management** will be an increasing barrier
- 57% of Slovak and Czech companies state that **they lack support and a clear division of tasks and responsibilities for digital technologies** at their companies, whereas only 24% of UK and 30% of Western European companies consider this fact to be a barrier
- 57% of Czech and Slovak companies believe cooperation between IT and business to be a growing barrier, whereas only 26% of representatives of UK companies and 38% of Western European companies share this view
- integration of new and existing technologies and data represents an increasing barrier for Western European, UK, Czech and Slovak companies
- 33% of Czech and Slovak companies **are not able to produce prototypes**, compared to 2% of UK and 17% of Western European companies

Western European companies expect higher value added from investing in digital technologies

- 49% of Western European, but only 37% of Czech and Slovak companies regard digital technologies as a **source of future revenues**
- **product innovations** are expected from digital technologies by twice as many UK companies (47%) as Czech and Slovak (24%) companies
- Czech and Slovak companies expect **improvements in data analytics and processes, and costs reductions** from digital technologies, whereas companies in Western Europe and the UK expect a greater impact on **sales and marketing and in retaining talents and recruiting employees** from digital technologies

Companies in the UK and Western Europe search more systematically for innovations

Up to 69% of UK companies primarily **search for innovations using innovation teams** established for this purpose, and only 8 % of UK companies rely on ad-hoc teams. In contrast, with regard to searching for innovations, Slovak and Czech companies rely on ad-hoc established teams in 37% of cases, and only 20% of companies systematically search for innovations using innovation teams and create prototypes in their own laboratories.

75% of UK and 59% of Western European, but just 41 % of Slovak and Czech companies have established designated **teams for digital innovations**.

77% of UK companies apply a **systematic approach to the evaluation of newly emerging technologies** for their business, and the same approach is applied by 48% of Slovak and Czech companies.

27% of Czech and Slovak companies copy their competitors, while in the UK this is the case at just 10% of companies.

Slovak and Czech companies rely more on connections, and up to 27% of them, compared to under 5% of UK companies, **find innovations when networking with leaders** from other companies and other industries. Up to 18% of Czech and Slovak companies, but only 4% of UK companies find innovations by being active as regards salespersons and sales channels.

Czech and Slovak companies underestimate data analytics and data use as a potential competitive advantage

Up to 85% of UK companies believe that they make effective use of all available data that can give businesses an advantage, whereas only 41% of Slovak and Czech companies make the same claim.

- **data on customers** from mobile communications are considered important by 72% of UK companies and 44% of Slovak and Czech companies
- **data on social media** are considered important by 70% of UK companies, but just 49% of Slovak and Czech companies
- **data on geo-location** are considered important by 60% of UK companies and 40% of Czech and Slovak companies

Companies in Slovakia and the Czech Republic pro-actively plan and assess risks as regards personal data protection as a precaution to approximately the same extent (67 – 79%) as in Western Europe

Slovak and Czech companies also lag behind as regards introducing digital technologies to human resources and communications

Up to one third of Slovak and Czech companies, as against 2% of UK companies, are not considering **changing talent management** by introducing digital technologies. 78% of UK and 45% of Slovak and Czech companies continuously update and re-assess their talent management so they are able to meet the ever changing personnel needs of a digital company.

- in the UK, up to 20% of companies expect **improvements in retaining talents and staff recruitment** from digital technologies, whereas in Slovakia and the Czech Republic, this figure is only 4%
- 88% of UK and 61% of Slovak and Czech companies claim that their corporate culture is adopting to the rapid change to their business models
- digital and business strategies are well communicated across the company for 77% of UK, 69% of Western European and 54% of Slovak and Czech companies

About the Survey

This is the 7th Digital IQ Survey conducted by PwC. It has been undertaken on a regular basis since 2007. The data collection took place in September 2015, and 1,988 respondents in 51 countries participated. Up to 21 % of respondents work in companies with a turnover of USD 1 billion and above, and 52% of respondents work at companies with a turnover of USD 500 million to USD 1 billion. The global study is available at: www.pwc.com/gx/en/services/advisory/2015-global-digital-iq-survey.html



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