The case for digital transformation has been made, and organizations 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 countries, including 140 responses in the Oil & Gas sector. The results show that Oil & Gas companies must increase their focus on reskilling for digital operations to realize value from their technology investments.

**Divergent digital aspirations**

Strategic goals drive technology adoption and implementation. Like others around the world, executives in the Oil & Gas sector have varying aspirations for digital: to modernize their brand, to become more efficient, to change their core business model, and to break into new markets.

Yet executives in this sector may not be focused enough on digital transformation. Only 41% in Oil & Gas say all of their transformation efforts have a digital component, vs. 43% across other sectors; only 67% say they have a clear direction for digital transformation (vs. 69%). This could be because many are underestimating the consequences of not embracing digital—just 19% in Oil & Gas say they face a serious threat from digital disruption (vs. 31% of others).

**The experience imperative**

Customer experience is widely understood as a focus of digital strategy. Now, employee experiences must be transformed as well, as leaders rely on their workforces to drive transformation.

Oil & Gas executives say they are engaging the workforce with their transformation processes (55% say so, vs. 57% across other sectors), but lack the leadership prowess or strategic plans to encourage innovation. Like executives in other sectors, less than half of respondents from Oil & Gas say their workforce helps the workforce think in new ways, and lack of strategic emphasis is cited as a top barrier to effective management of the employee experience.
Obstacles on each course

Organizations face a number of challenges on their path to digital transformation, most of which center around updating internal processes, skills, and workflows.

In Oil & Gas (and across sectors), inflexible processes and a lack of properly skilled teams are the top two barriers to successful digital initiatives. Meanwhile, Oil & Gas respondents are more likely to cite ineffective retention practices (33%, vs. 24% of others) and lack of support in the organization (25%, vs. 18%) as challenges. To overcome these obstacles, Energy and Utilities executives should focus on investments in digital processes, training, and technologies.

Barriers to successful digital initiatives

- Inflexible or slow processes: 38% Oil & Gas, 39% Others
- Lack of properly skilled teams: 42% Oil & Gas, 37% Others
- Outdated technologies: 24% Oil & Gas, 29% Others

The path to value

Oil & Gas executives are focused primarily on cost savings and increased profits as they make investments in digital technologies; Oil & Gas firms are also focused on creating better customer experience. Most firms have yet to realize value in these areas: of those expecting value in cost savings or increased profits, less than one-quarter of Oil & Gas respondents have realized more value than expected. To increase the likelihood of realizing value from digital investments, executives should set a clear goal for digital transformation, and focus more on developing talent and leadership needed to make it happen.

Areas of expected value from digital investments

- Achieve cost savings: 54% Oil & Gas, 42% Others
- Increase profits: 44% Oil & Gas, 41% Others
- Create better customer experiences: 41% Oil & Gas, 41% Others
- Enhance brand and reputation: 37% Oil & Gas, 43% Others