

2015 Global Digital IQ® Survey

Danish highlights

– lessons from digital leaders



2015 Global Digital IQ Survey

Looking to digital to drive better customer experiences – and revenue

Denmark

Our analysis of insights from nearly 2,000 business and IT executives globally reveals that revenue growth is the number-one priority for digital investments globally (45%). While executives in Denmark also rank revenue growth high (27%), their top priority is creating unique customer experiences (29% vs 25% globally). They also expect digital investments to increase profits (23% vs. 13% globally). In order to meet these goals, companies in Denmark are investing: 27% are allocating 15% or more of revenue to digital investments (31% globally).

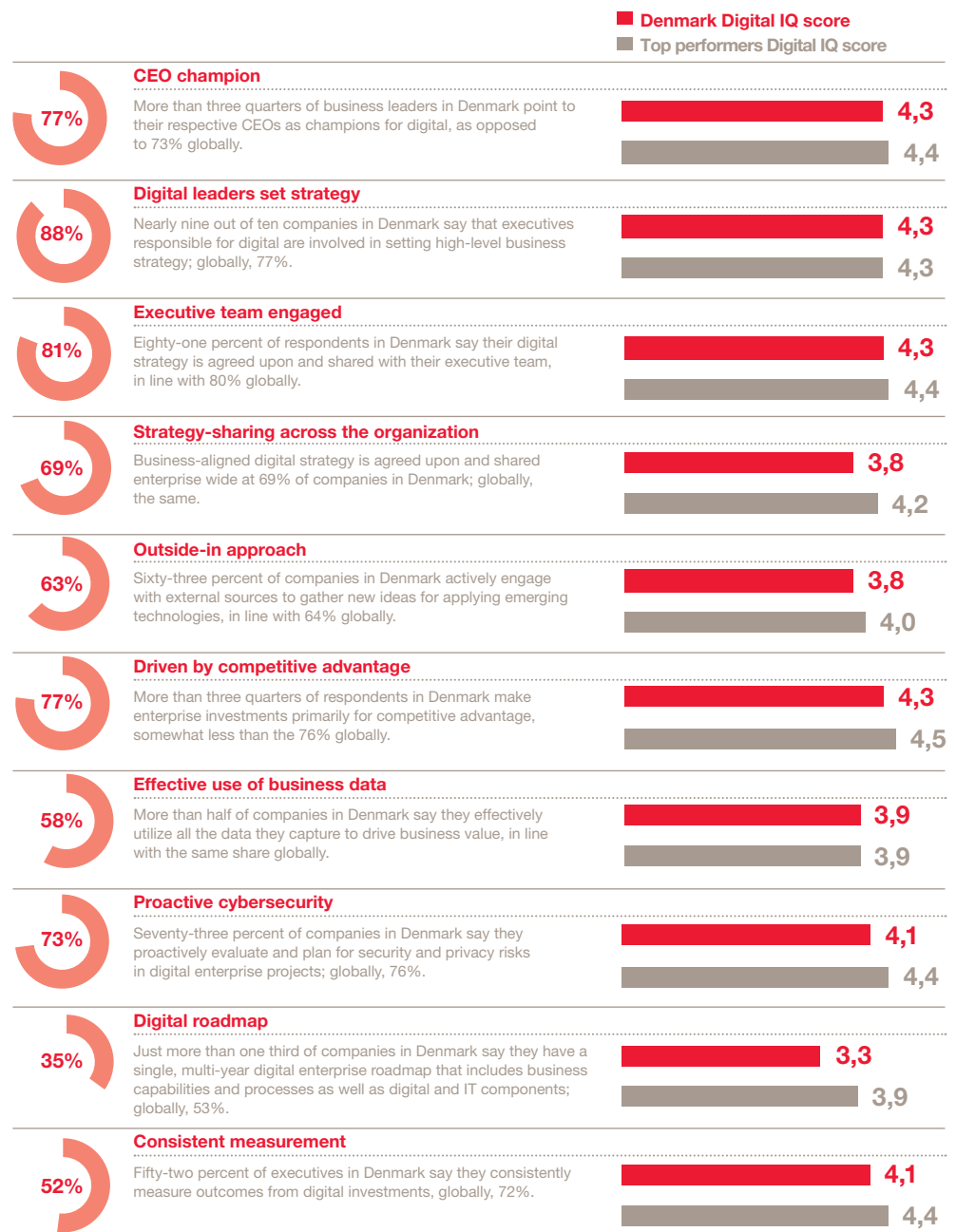
In Denmark, when asked to choose the most relevant definitions of “digital”, most companies say that “digital” refers to all the investments being made to integrate technology into all parts of their business, or that it refers to all technology-related innovation activities. These answers match those of global findings. This changes, however, when asking to rank the definition of “digital” as customer-facing technology activities. Danish companies ranks this definition significantly lower compared to global respondents.

Digital IQ: How Denmark compares

Like previous years, our ambition remains the same. Answer the question: What actions can leaders take to ensure their digital investments deliver and sustain value?

From more than two dozen factors, covering strategy, innovation and execution, we isolated the ten attributes that correlate with stronger financial performance; this is what makes up our Digital IQ score.

The left side shows the percentage of Danish respondents who agree or strongly agree with the ten Digital IQ attributes. The right side bars average all answers (from strongly disagree = 1 to strongly agree = 5) for Denmark and Top Performers. The bars provide insights to the distribution of answers:



Reading the digital signs in Denmark

Where they're investing

Business leaders in Denmark are focusing their digital spend on IT and marketing, followed by operations (11%), enterprise functions like HR (11%), and customer service (8%).*



IT

32% globally
39% Denmark



Marketing

27% globally
29% Denmark



Sales

12% globally
9% Denmark

Who's leading digital

In Denmark, half of the respondents say that the CEO is ultimately responsible for digital investments, compared with 34% globally. When it comes to the CIO, 38% say that his or her key responsibility is to lead internal IT efforts only (29% globally). Only 29% of respondents in Denmark say that the CIO's key responsibility is to lead all digital enterprise investments and efforts, including innovation and market facing initiatives (globally, 40%). The remaining one-third say that the CIO's role is IT and internal innovation (globally, 32%).

Where they look for innovation

In Denmark, 56% of executives look to industry analysts as sources for applying emerging technologies in new ways to solve business problems (globally, 63%), and 40% make use of customer advisory surveys (globally, 52%). Forty-two percent are actively engaged across the vendor ecosystem; globally, 38%. And 44% of leaders in Denmark say they network with other companies, as opposed to 23% globally.

Skills they value

Companies in Denmark view data analytics skills as the most important skill to their business – 77% say so. And 63% see their skills in this area as developed. Nearly as many respondents from Denmark (71%) point to technology architecture and design as important (52% view their skills here as developed).

Barriers they see

Three-quarters (75%) of respondents in Denmark point to outdated technologies as an obstacle to achieving desired results from digital initiatives; globally, 67%. Nearly as many companies – 73% – view integration of new technologies and data as a barrier, in line with the same percentage globally. Seventy-one percent of respondents view lack of properly skilled teams as a barrier, and the same share cites ineffective third-party partners as a barrier.

Local take on the results

When we compare with global respondents, data indicate that Danish companies have a lower Digital IQ and haven't released the benefits of digitalisation to the same degree.

As global companies use digitalisation to pursue financial growth and have established good practices for how to convert digital plans and concepts to measurable business initiatives, Danish companies are still focusing on defining digital management and leadership. Furthermore, data indicates that Danish companies primarily use digital for internal performance optimisation, while global high-performers are realising increased digital product and customer value.

Danish companies must move digitisation to the next level and transform the digital development and implementation strategies.

To some extent, this transformation has started, and we see companies move from creating dedicated digital strategies to incorporating digital initiatives into their overall business strategies. The role of the CIO is also evolving. Some are moving closer to the business, becoming part of the management team and digital ambassadors.

We believe that an increased focus of connecting Digital IQ to the overall contribution of business value, revenue and profit will strengthen Danish companies in the transition towards matching global top performers.

About Digital IQ®

We've been conducting our Digital IQ research since 2007, and this year marks our seventh annual survey of business and IT executives globally. This year's survey was conducted July through September 2015 and included 1,988 respondents from 51 countries. Responses were aggregated into seven regions and ten industries. In Denmark, we surveyed 48 IT and business leaders.

Our Digital IQ score is a tool for quantifying and benchmarking the Digital IQ of firms in a consistent way. The score is built on the ten attributes of the survey that proved to be most closely correlated with company performance. The overall Digital IQ score is a weighted and normalized sum of the attribute scores. Our analysis shows that those firms with a higher Digital IQ score are more likely to enjoy faster revenue growth and wider profit margins.

*Spending totals are mean calculations for each response group, which vary by function; due to rounding, total for all spending may add up to more than 100%. © 2015 PwC. All rights reserved. PwC refers to the US member firm or one of its subsidiaries or affiliates, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

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