

Digital IQ The five behaviors that accelerate value from digital investments

PwC's 6th Annual Digital IQ Survey

Fig 1: The 5 interdependent digital behaviors that make a difference



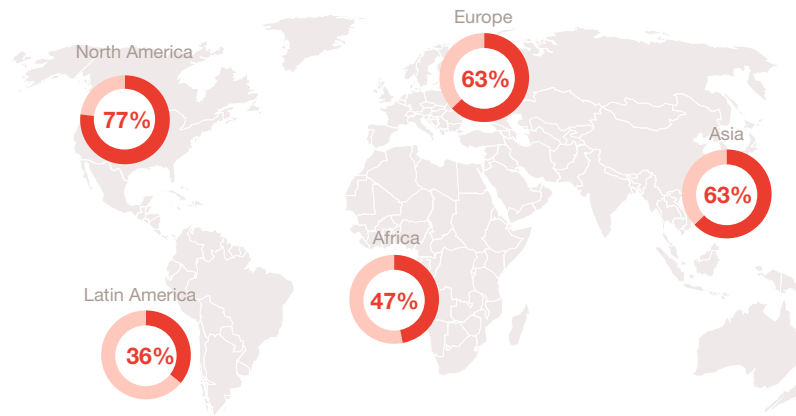
Source: PwC, 6th Annual Digital IQ Survey, 2014

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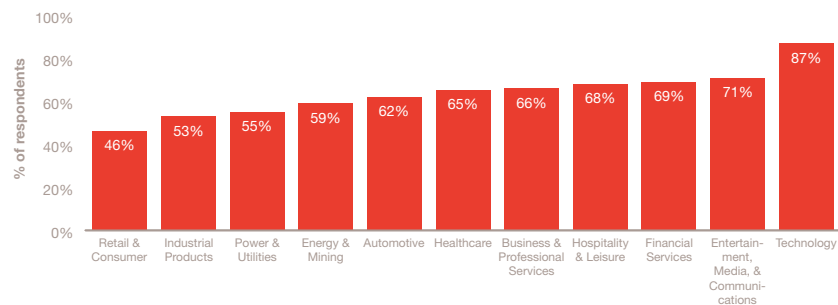
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Fig 2: Digital IQ distribution by region and industry

Business and IT leaders in North America are more confident about their digital acumen than their counterparts in other regions.



Surprisingly, customer-facing industries varied widely when it came to rating themselves as having a strong Digital IQ, placing in the middle and back of the pack.



Q. Please rate your organization's Digital IQ, defined as how well companies understand the value of technology and weave it into the fabric of their organization.

Respondents who stated "strong" or "very strong"

Base: 1,494

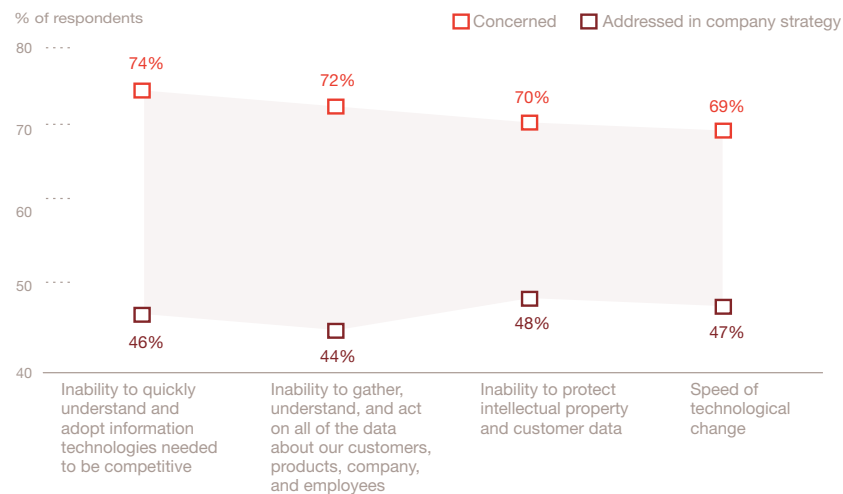
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Fig 3: Digital disconnect: Gap between knowing and doing

Most business and IT leaders are worried about digital technology challenges—yet only a minority are directly addressing these concerns in their strategies.



Q. How concerned are you, if at all, about the following potential threats to your company's growth prospects? Are these threats you identified previously addressed in your corporate strategy?

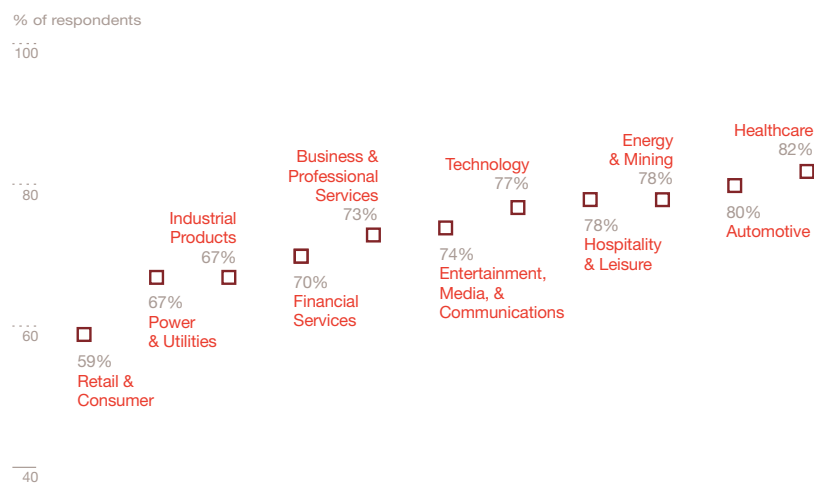
Respondents who stated "extremely concerned" and "somewhat concerned"

Base: 1,494

Source: PwC, 6th Annual Digital IQ Survey, 2014

Fig 4: Digital CEOs by industry

The majority of top-performers in our study had a CEO who was an active champion of using digital technology to achieve strategy.



Q. Please indicate your level of agreement with the following statement about your organization's strategy: Our CEO or senior-most business leader is an active champion in the use of information technology to achieve our strategy.

Respondents who stated "agree"

Base: 1,494

Source: PwC, 6th Annual Digital IQ Survey, 2014



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Fig 5: Where the crucial CIO-CMO relationship is strongest

The CIO-CMO relationship is so important because a great many digital technology initiatives are driven by marketing needs.

% of respondents



Q. Please rate the strength of working relationship or collaboration between the following roles in your company: Between the CIO and CMO

Respondents who stated "very strong" or "strong"
Base: 1,494

Source: PwC, 6th Annual Digital IQ Survey, 2014



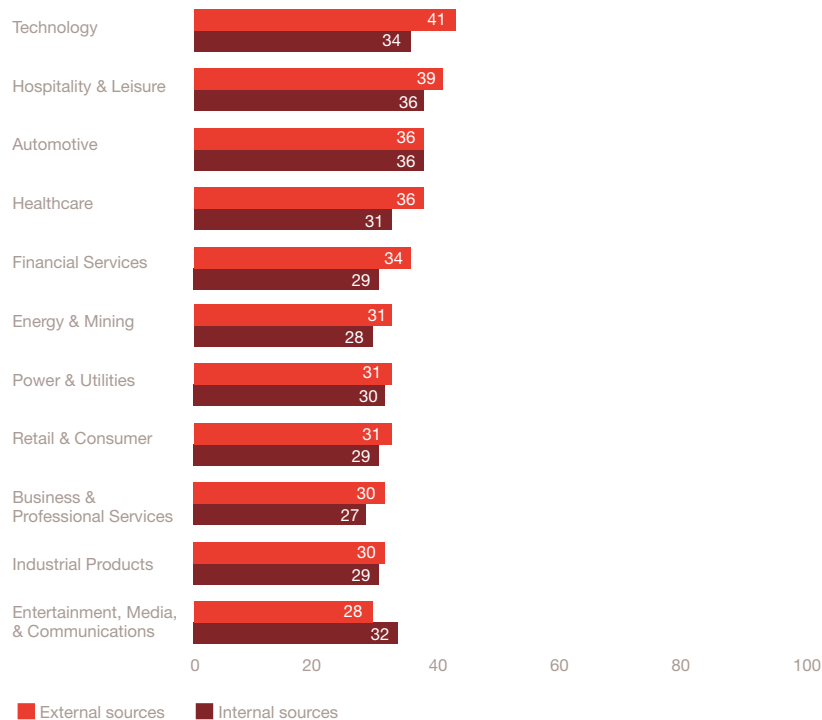
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Fig 6: Where companies look for ideas—and where they may be missing out

Top-performing companies are more likely to look for innovation outside of the company, but all organizations would benefit from looking more to external sources.

% of respondents by industry



Q. How does your organization gather ideas for applying emerging technologies in new ways in order to solve business problems?

Industry respondents were asked to select all that apply

Bases: 375, 1,119

Source: PwC, 6th Annual Digital IQ Survey, 2014



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Fig 7: Top 5 strategic technologies

While data, mobile, cloud, social, and cybersecurity technologies rank highly for all companies, what's most important strategically varies by industry.

	Automotive	Business & Professional Services	Energy & Mining	Entertainment, Media, & Communications	Financial Services	Healthcare	Hospitality & Leisure	Industrial Products	Power & Utilities	Retail & Consumer	Technology
Data mining and analysis	●	●	●	●	●	●	●	●	●	●	
Private cloud	●	●	●	●	●	●	●	●	●		●
Cybersecurity	●	●	●		●		●	●	●	●	●
Mobile apps for customer	●			●	●	●	●	●		●	●
Social media for external	●	●	●	●	●	●	●			●	
Digital delivery of products and services		●				●				●	
Public cloud applications				●							●
Robotics			●						●		
Battery and power technologies									●		
Public cloud infrastructure											●
Sensors								●			

Q. Which of these technologies will be of the highest strategic importance to your organization over the next three to five years?

Bases: 375, 1,119

Source: PwC, 6th Annual Digital IQ Survey, 2014



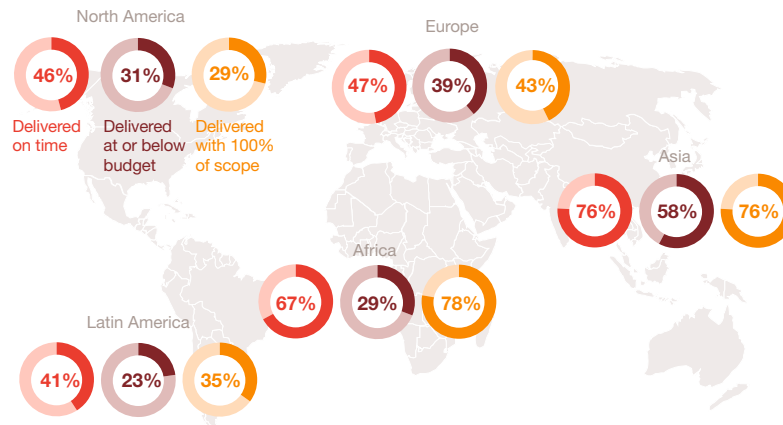
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Fig 8: Room for improvement: Delivering digital

Companies in Asia and Africa were more likely to use agile processes than their regional counterparts, possibly contributing to more success in delivering IT projects.

% of respondents by region



Q. On average, how often did strategic IT initiatives fall within each of the following delivery categories in the last 12 months?

Respondents who stated "always" and "frequently"

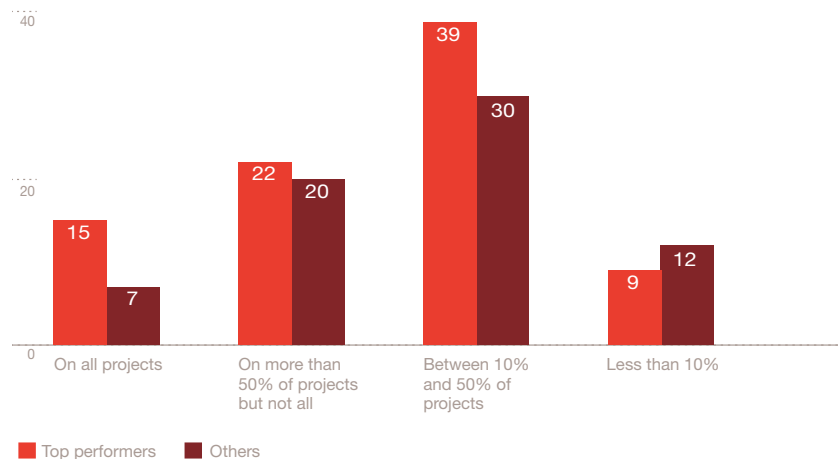
Bases: 375, 1,119

Source: PwC, 6th Annual Digital IQ Survey, 2014

Fig 9: Agile processes improve integrated digital delivery

Companies that used agile processes in any capacity are twice as likely to be top-performers.

% of respondents



Q. To what extent are you currently using agile processes with your organization?

Top performers who replied "Don't know" or "Not at all" totaled 15%; Others totaled 31%

Bases: 375, 1,119

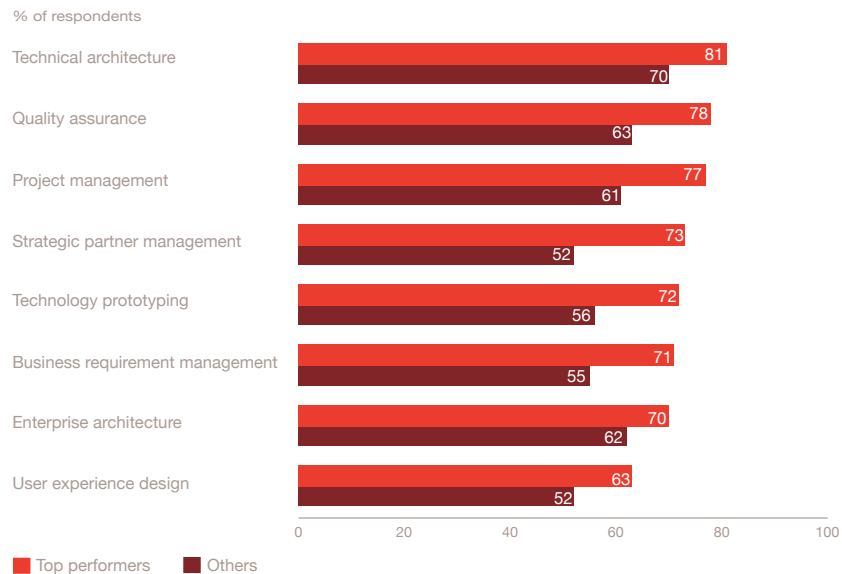
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Fig 10: Digital capabilities require a blend of traditional and new IT skills

Top performers were more likely to have stronger skills in crucial digital areas like enterprise architecture and user experience design.



Q. How would you rate your organization's IT department on the following skills needed to integrate digital capabilities into your core business?

Respondents who stated "excellent" and "very good"

Bases: 375, 1,119

Source: PwC, 6th Annual Digital IQ Survey, 2014

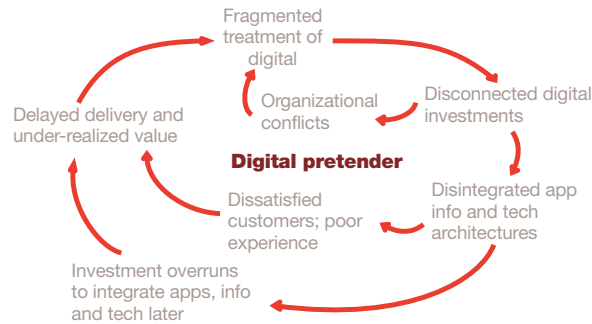


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Fig 11: How digital adds or subtracts value

A narrow view of digital leads to redundancies, cost overruns and islands of information



...but viewing digital as an enterprise capability links the best of the enterprise and marketplace to drive new value

