Digital Readiness Survey 2017

A survey conducted by CMR for IBM

Executive Summary

The first step in a Digital Journey is to realize that you need to go on one…

There's growing acceptance among enterprise CxOs in India that their industries are getting disrupted due to digital technologies. This is good news because the first step to putting together a digital strategy is to realize the need for one.

Luckily, according to CMR's latest Digital Readiness survey, which received responses from over 129 enterprise CxOs, there is realization that digital technologies are causing disruption in their industries. Having this realization is the first step. The next and more important step is to put in place a well-defined digital strategy, with clear cut milestones.

A digital strategy, unlike an IT strategy, must be based on clear cut business objectives--improve customer experience or engagement, increase efficiency, etc. Unfortunately, that's the biggest roadblock that most senior executives face. While there's clarity on the need to set business objectives, what's difficult is to build a strong business case for adopting digital competencies and then identifying the right technologies to add business value.

This survey assesses the digital readiness of Indian enterprises, the hurdles they face in embracing digital competencies, and the approach they're following while implementing their digital initiatives, among many other things.

Key Findings

50% CxOs feel that their industry has been moderately disrupted due to digital technologies, while another 37% feel that disruption has been very high.

Only 22% CxOs fully agree that their organization has a well-defined digital strategy in place, and a similar percentage fully agree that their organization is responding well to digital trends. Others are not entirely in agreement.

18% CxOs fully agree that their organization is spending sufficient time and resources on their digital strategy, and an equal percentage feel that their pace is perfect. Others are not entirely in agreement.

Improving customer experience and engagement and increased efficiency are fully accepted as the business objectives of a digital strategy by over 50% of CxOs.

By and large, 80% or more CxOs either agree or fully agree with key business objectives of a digital strategy

62% of CxOs feel that Digital technologies will become very important for their business another 3 years from now. As of today, that percentage is only 36%.

Key Findings

Digital strategy is managed at the C-Suite or director level across most enterprises, whereas the implementation approach varies. About 33% follow a top-down approach whereas 43% have setup cross-functional teams.

Building a strong business case is the top barrier in adopting digital competencies for 44% of the CXOs.

Identifying the right digital technologies that can add business value is the topmost challenge in digital strategy implementation, followed by internal change management and finding the right manpower/talent.

DIGITAL READINESS

Extent of disruption by digital technologies

Moderate	**50%**
Very High	**37%**
Very Less	**12%**
Don't Know	**.8%**
None	**.8%**

50% CxOs feel that the extent of disruption in their industries due to digital technologies is moderate

Level of Agreement on Digital Strategy

Level of Agreement					
	Fully Agree	**Agree**	**Neither A nor D**	**Disagree**	**Fully Disagree**
Our organization has a well-defined digital strategy in place	22%	43%	19%	11%	6%
I am confident of our organization's response to Digital Trends	21%	51%	11%	13%	4%
Our organization is spending sufficient time and resources on our digital strategy	18%	41%	27%	10%	4%
The pace at which we're going digital strategy perfect	19%	33%	25%	17%	7%

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- 18% CxOs fully agree that their organization is spending sufficient time and resources on their digital strategy, and an equal percentage feel that their pace is perfect. Others are not entirely in agreement.

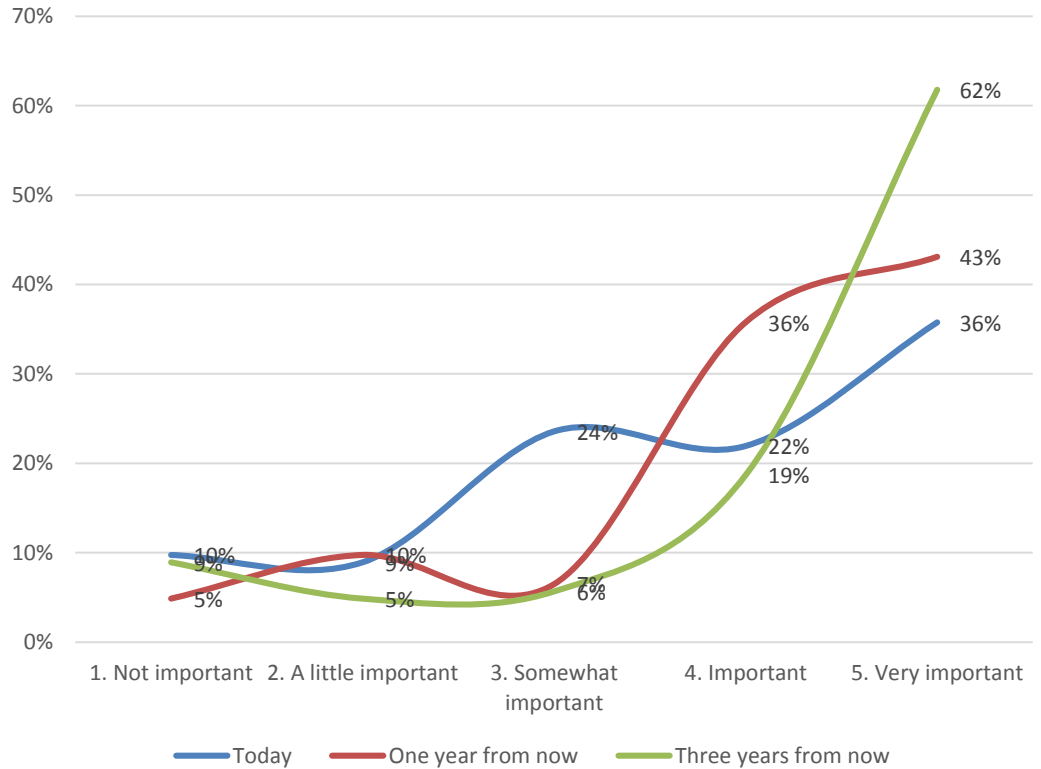# Extent of Agreement on Business Objectives for Digital Strategy
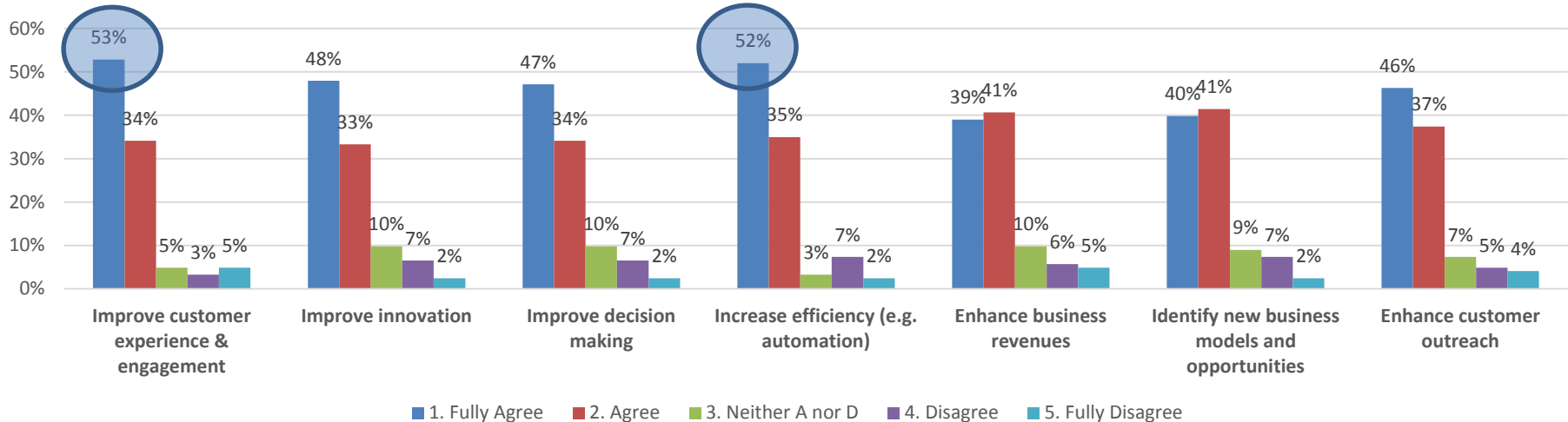
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Insights powered by research

Extent of Agreement on Business Objectives

Legend: 1. Fully Agree | 2. Agree | 3. Neither A nor D | 4. Disagree | 5. Fully Disagree

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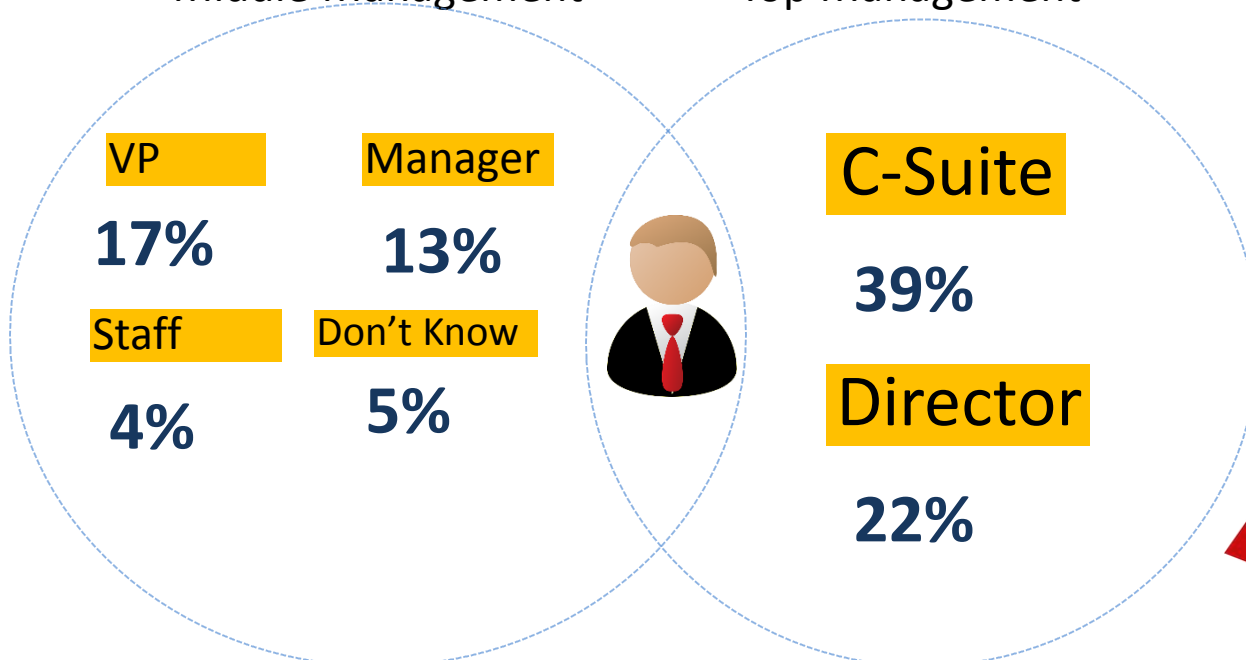
Importance of Digital Technologies to Business

Today   One year from now   Three years from now

Level that oversees Organization's Digital Strategy

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Middle Management

Top Management

VP
17%

Manager
13%

Staff
4%

Don't Know
5%

C-Suite
39%

Director
22%
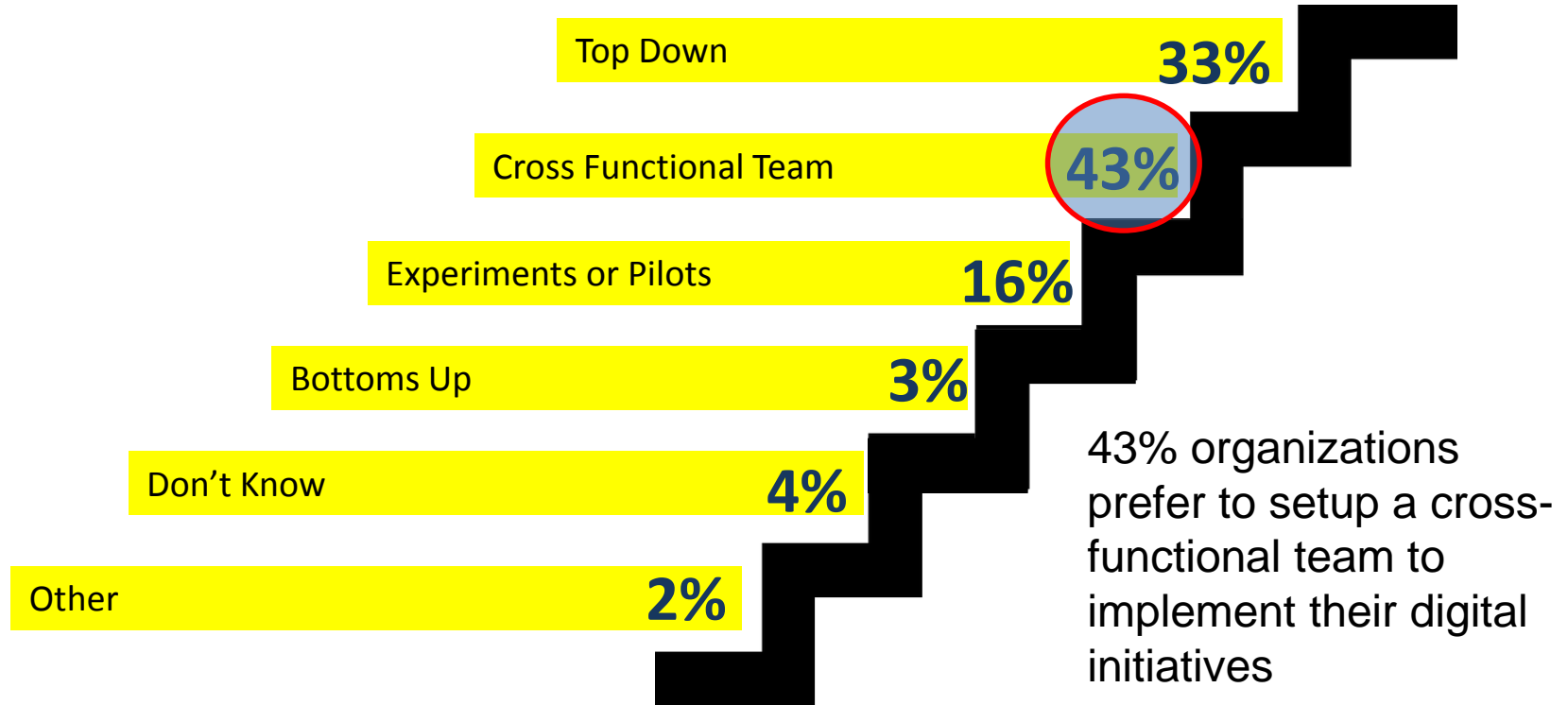
Digital strategy is managed at the C-Suite and director level across most enterprises

Digital Strategy Implementation Imperatives

Implementation Approach for Digital Initiatives

- Top Down — **33%**
- Cross Functional Team — **43%**
- Experiments or Pilots — **16%**
- Bottoms Up — **3%**
- Don't Know — **4%**
- Other — **2%**

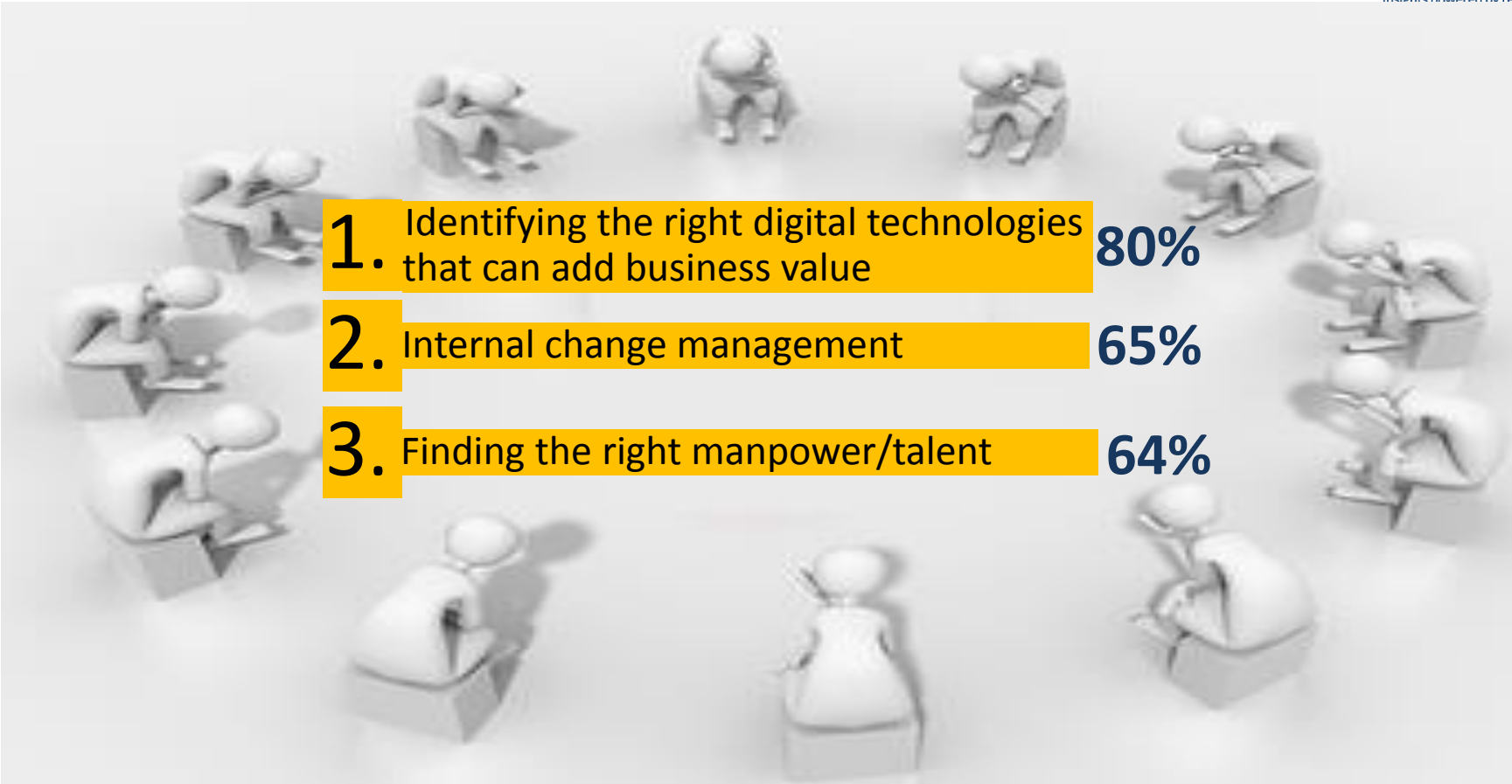43% organizations prefer to setup a cross-functional team to implement their digital initiatives

Top Barriers to Adopting Digital Competencies

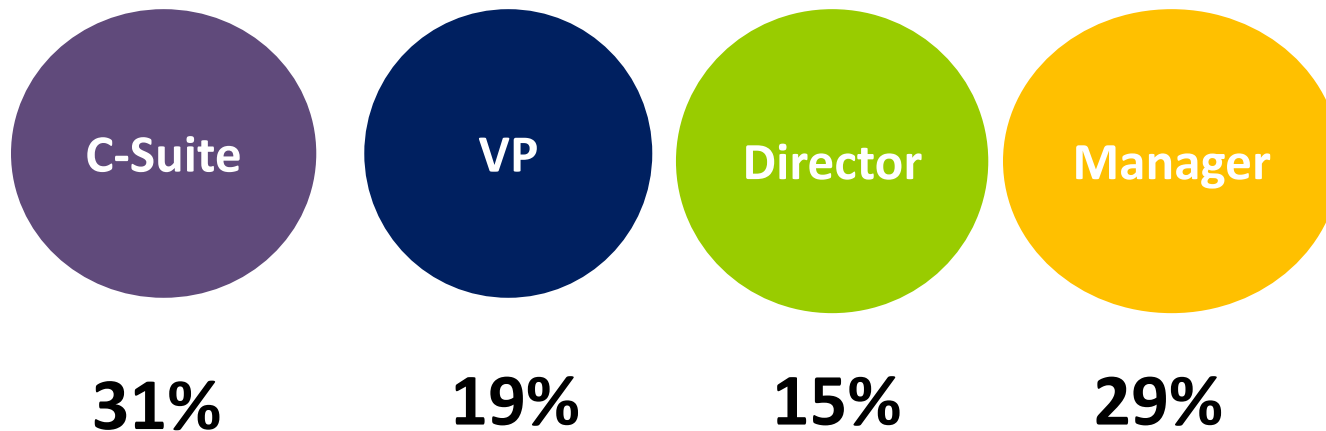Building a strong business case is the biggest barrier faced
by 44% of the CxOs
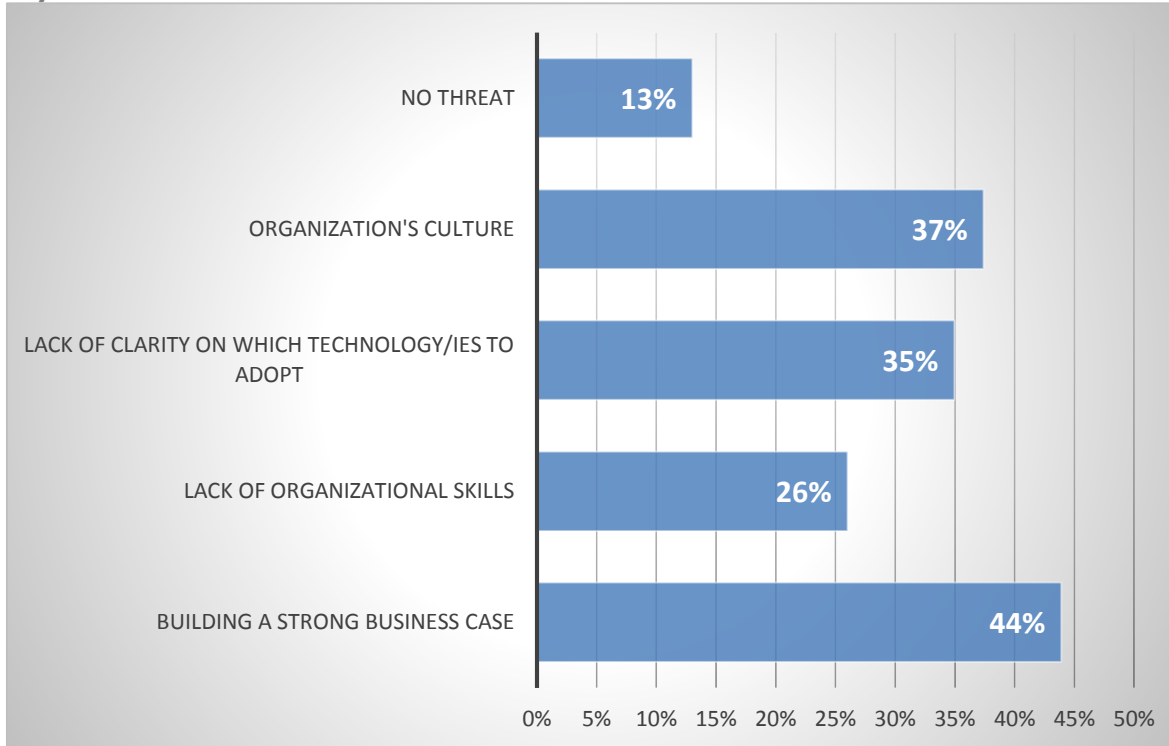
Top 3 Challenges in Digital Strategy Implementation

1. Identifying the right digital technologies that can add business value — **80%**

2. Internal change management — **65%**

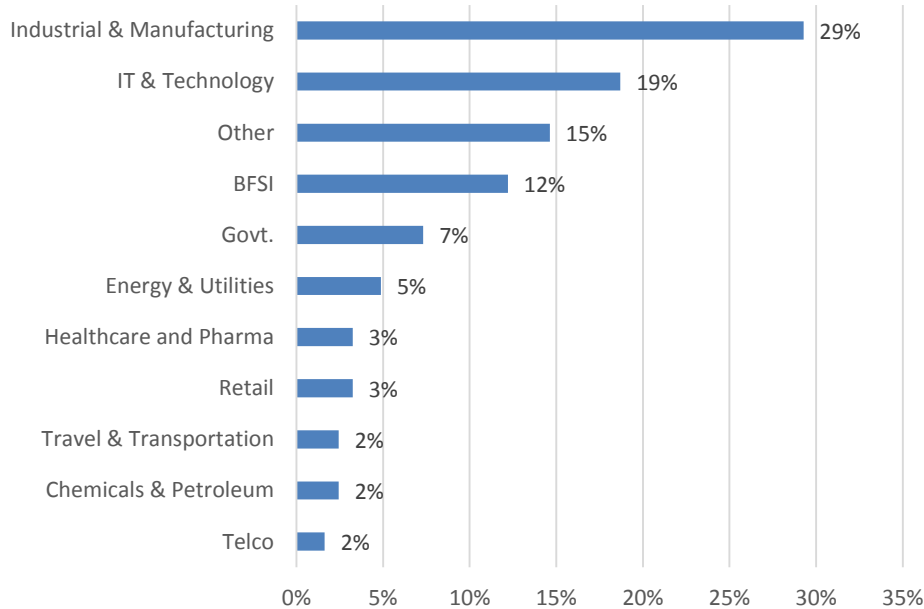3. Finding the right manpower/talent — **64%**

PROFILE OF RESPONDENTS

Industry Profile & Employee Count
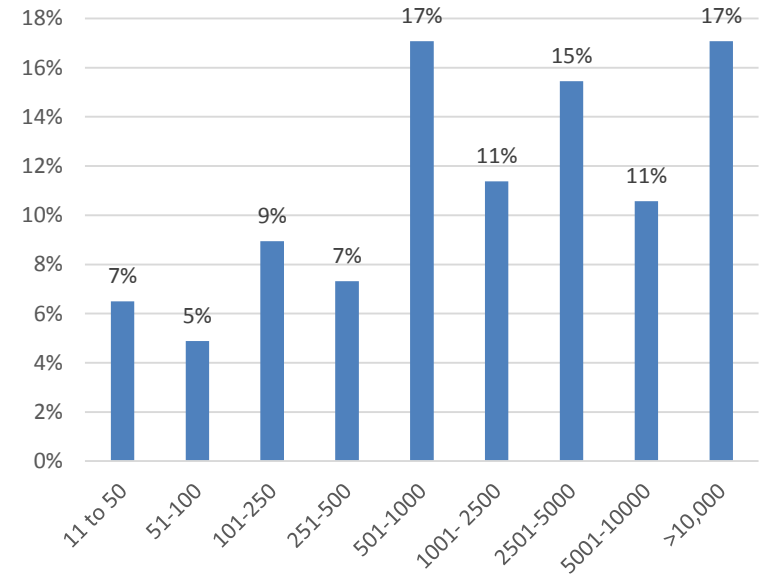

Primary Industries of Respondents

Industry	Percentage
Industrial & Manufacturing	29%
IT & Technology	19%
Other	15%
BFSI	12%
Govt.	7%
Energy & Utilities	5%
Healthcare and Pharma	3%
Retail	3%
Travel & Transportation	2%
Chemicals & Petroleum	2%
Telco	2%

Number of employees in Respondents' organizations

Employee Range	Percentage
11 to 50	7%
51-100	5%
101-250	9%
251-500	7%
501-1000	17%
1001- 2500	11%
2501-5000	15%
5001-10000	11%
>10,000	17%

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