

# 2017 Global Digital IQ® Survey

10th anniversary edition  
Country focus: Australia

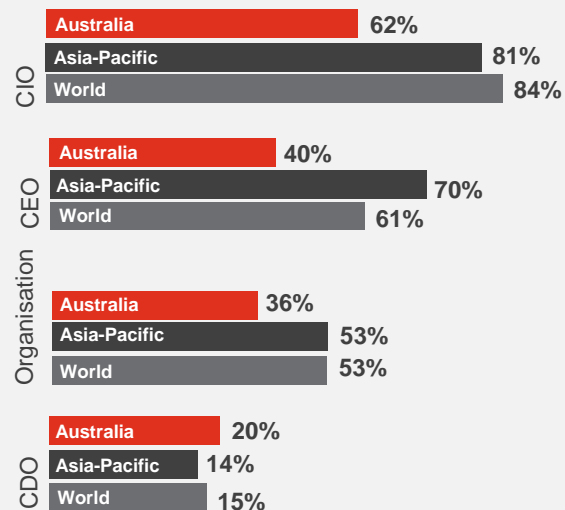
PwC worked with Oxford Economics in late 2016 to survey over 2,200 senior business and IT executives from 53 countries and more than 30 industry segments. In 10 years of assessing Digital IQ – a rough measure of the ability to understand and harness the value of new technologies – we have seen companies struggle to keep up with the pace of change, even as they have focused on improving digital capabilities. This report reveals findings from Australia, where we received 50 responses, as they compare to others in the Asia-Pacific region and the rest of the world.

## Digital IQ and leadership

When respondents were asked to rate the digital skills of their leadership, CIOs scored the highest, both in Australia and abroad. Australian executives, however, rate the digital skills of their leadership lower than their global counterparts do – except in the case of the Chief Digital Officer, a role they are more likely to employ (18% have one, vs. 6% elsewhere). Australian firms without a CDO are more likely than others to say the reason is because digital is not a significant part of company strategy (22%, vs. 2% of others globally). This suggests that the Digital IQ of Australian leadership is lagging because it fails to seriously incorporate digital into the fabric of the business.

Globally, responsibility for setting digital strategy falls to the CEO and CIO (48% and 44% respectively). In Australia, however, 84% say the CEO drives digital strategy, and just 10% say that power rests with CIOs.

### Digital IQs rated above 70 (on a scale of 0–100)

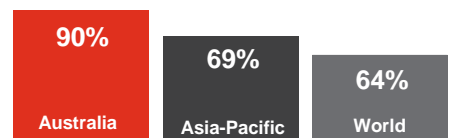


## The human factor

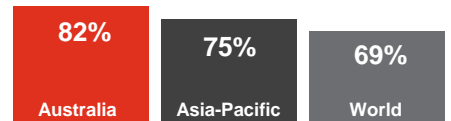
The human experience is a critical dimension of Digital IQ; to be successful in the digital economy, organisations must create agile, collaborative cultures that adapt to change, focus adequately on customer and employee experiences, and develop the right mix of skills within their workforce.

Improving the customer experience is a key concern for Australian companies in our survey. They place a heavier focus on the ways new technologies will affect human experiences (82%, vs. 69% of others) and are more likely to invest in customer experience initiatives (22% rank it as top investment, vs. 11% of others).

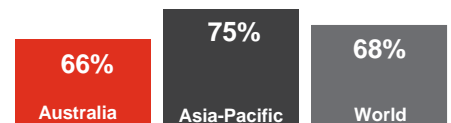
Australian executives are also investing to support a digitally savvy workforce (30% rank it as a top-three initiative, vs. 24% of others), and they have greater confidence than their global peers that their employees are equipped with the necessary skills for the digital economy.



Our employees have the skills required for the evolving digital economy.



We focus on the ways new technologies will affect human experiences.



Our culture embraces rapid change.



For more insights on our Digital IQ Survey, download our global report at [www.pwc.com/digitaliq](http://www.pwc.com/digitaliq).

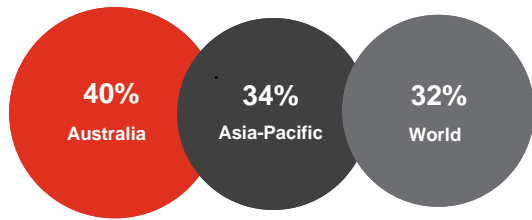
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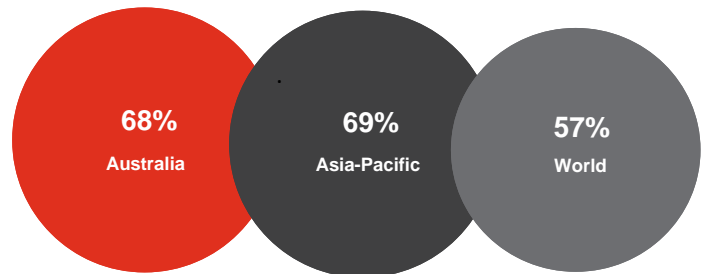
### Approaches to emerging technology

When we started measuring Digital IQ back in 2007, technologies like social, mobile, cloud, and analytics were still entering the mainstream. Today a fresh wave of powerful technologies, including what we call the [essential eight](#), is emerging: the internet of things (IoT) and artificial intelligence (AI), the foundational elements for the next generation of digital; robotics, drones and 3D printing, machines that extend the reach of computing power into the material world; augmented reality (AR) and virtual reality (VR), which merge physical and digital realms; and blockchain, a new approach to the basic bookkeeping behind commercial transactions.

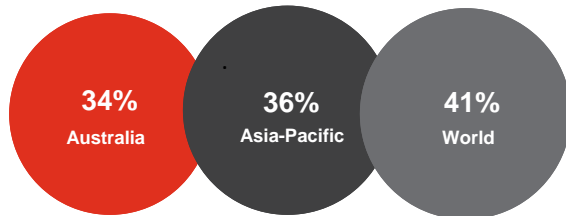
Most companies are no better prepared in 2017 to adopt emerging technologies than they were a decade ago, but Australian firms are ahead of their peers in some areas: they are more likely to take a systematic approach to evaluating emerging technologies (86%, vs. 75% of others), and 80% say they have a way to measure the value of their efforts, compared with 64% of the rest of the respondents.



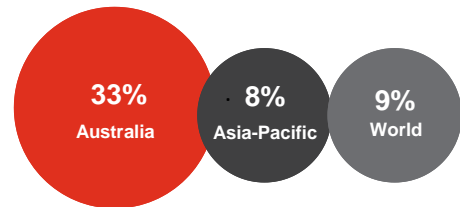
Internally, we primarily use a dedicated lab or innovation group to explore emerging technologies.



We actively engage with external sources to gather new ideas for applying emerging technologies.



Our approach to emerging technology is business-driven.



We gather ideas from university labs, startups, and incubators to apply emerging technology.

Australian executives are more likely than others to characterise their approach to new or emerging technologies as technology-driven. Over half (54%) say this is true, while 34% say their approach is driven by defined business needs and 12% say they wait for vendors to introduce new technologies.

For now, Australian companies in our survey are focused on investments in IoT (70% are investing heavily today) and artificial intelligence (60%). In three years, however, the internet of things will start to make way for greater investment in robotics (50% say they will invest heavily, vs. just 10% today) and augmented reality (22% in three years, vs. 12% today).