



Harvey  
Nash.

# HARVEY NASH/KPMG CIO survey 2020

Everything changed. Or did it?

Presentation for SAI

May, 2021





# Life Reinsurance & Innovation Committee – Innovation Series

## **Committee Members:**

- Aisling Bradfield
- Ciaran Belton
- Cillian Ryan
- Clara Leahy
- Eoin King
- Gavin Maguire
- Niall Mulvey
- Philip Shier
- Sarah Lynch
- Sean Nangle
- Svilena Dimitrova



# Your presenter today



Thorsten Schulz-Gerhardt  
Director, CIO Advisory, KPMG UK

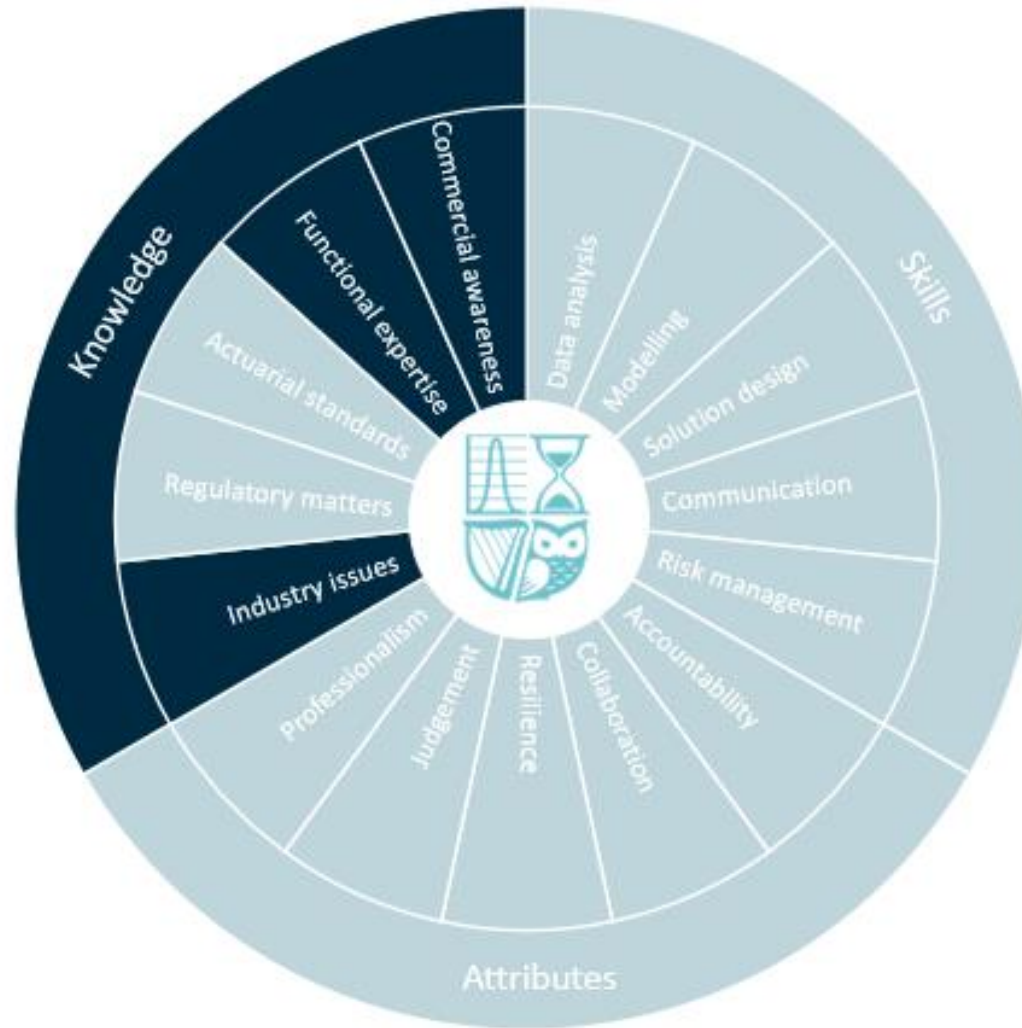
Thorsten Schulz-Gerhardt is a Director with KPMG UK, focusing on Technology Strategy and Transformation in Financial Services. He experienced first-hand the findings from the CIO Survey 2020, having worked closely with his clients through this period.



**The views expressed in this presentation are those of the presenter(s) and not necessarily those of the Society of Actuaries in Ireland or their employers.**



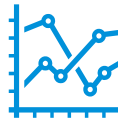
# SAI Competency Framework



# Harvey Nash / KPMG CIO Survey 2020 is the largest IT leadership survey in the world



**\$¼ trillion**  
combined IT budget\*



**3 million**  
data points\*\*



**4,219**  
respondents



**83**  
countries



**22**  
years of data

Some of the key findings from the Covid world:

- **Remote working challenges**
- **Technology investments**
- **Mental health is an issue**
- **Technology leaders feel more influential.**

\*Combined IT budget of this year's respondents

\*\*From 22 years



# Overall Key Findings

# Board priorities and technology investments in the new reality

## Top three business issues

### Pre-COVID

1. Improving operational efficiency
2. Improving customer engagement
3. Developing new products and services

### Post-COVID

1. Improving operational efficiency
2. Improving customer engagement
3. Enabling the workforce



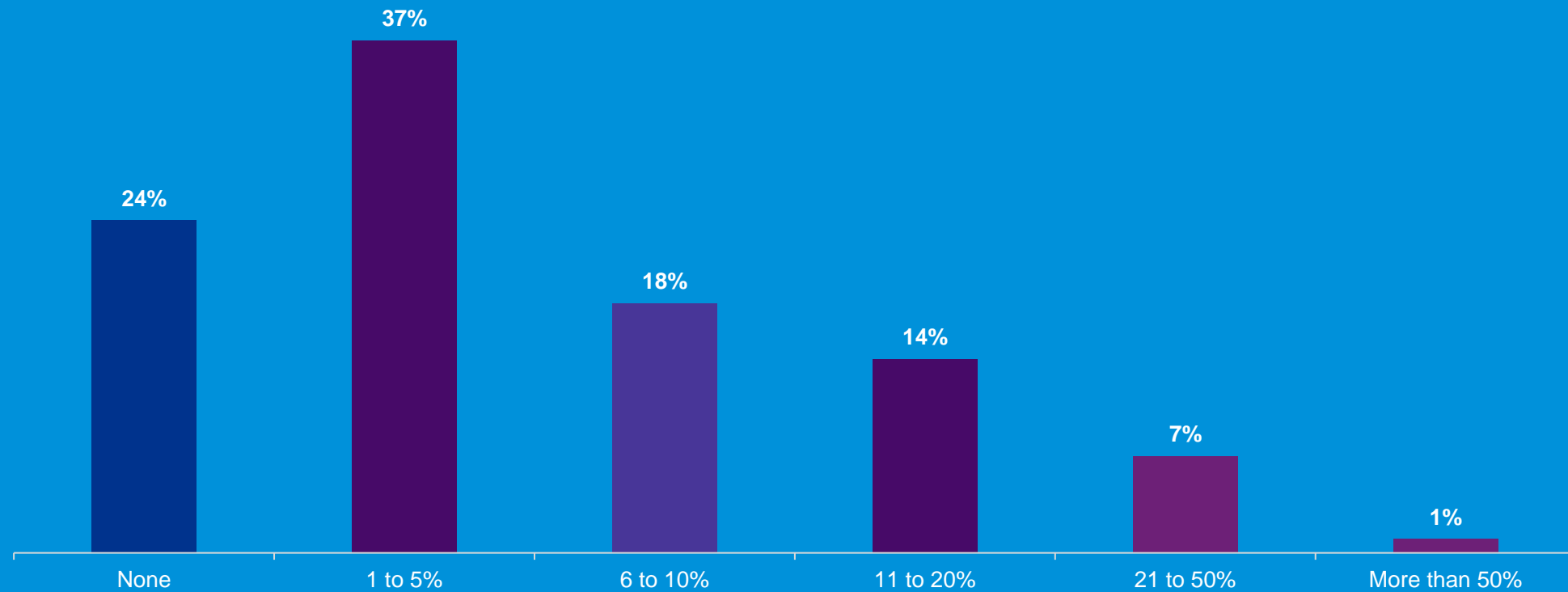
## In light of the new reality, what are your top three most important technology investments?





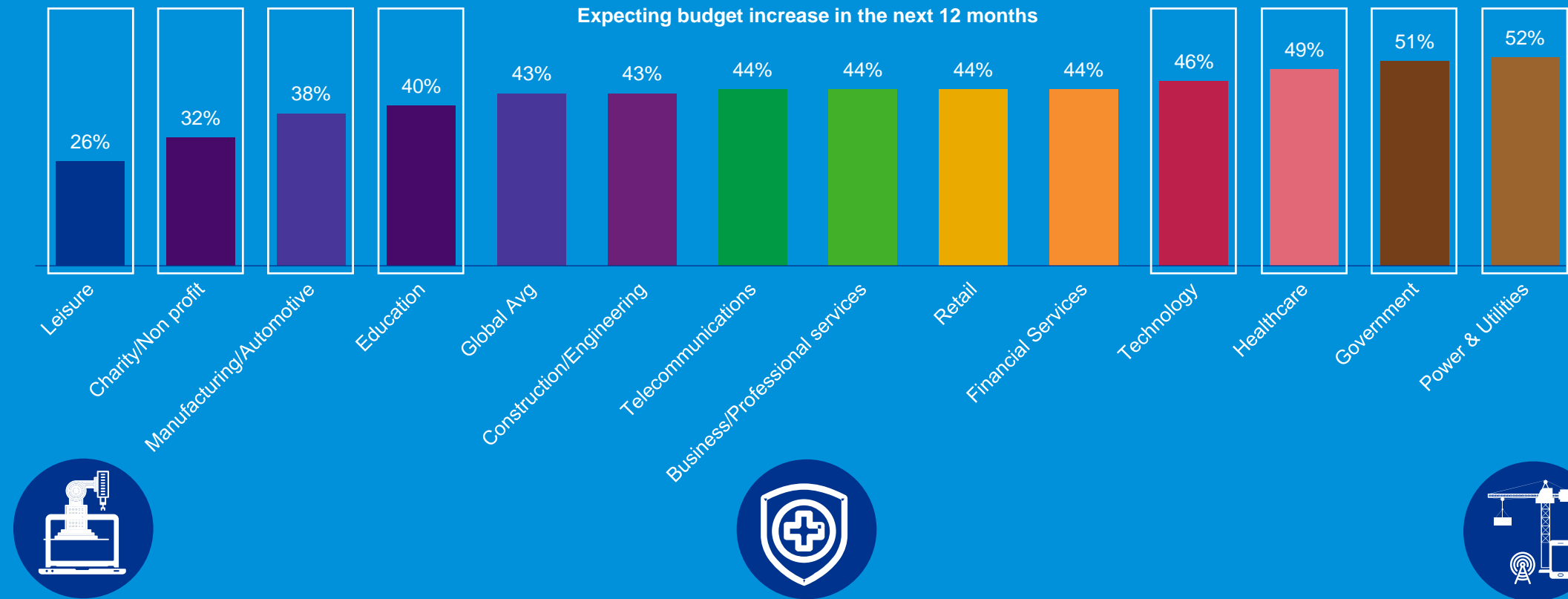
# COVID-19 resulted in a surge in technology spend

How much additional technology expenditure has there been to deal with the COVID-19 crisis during 2020 (as a percentage of total IT/Technology budget)



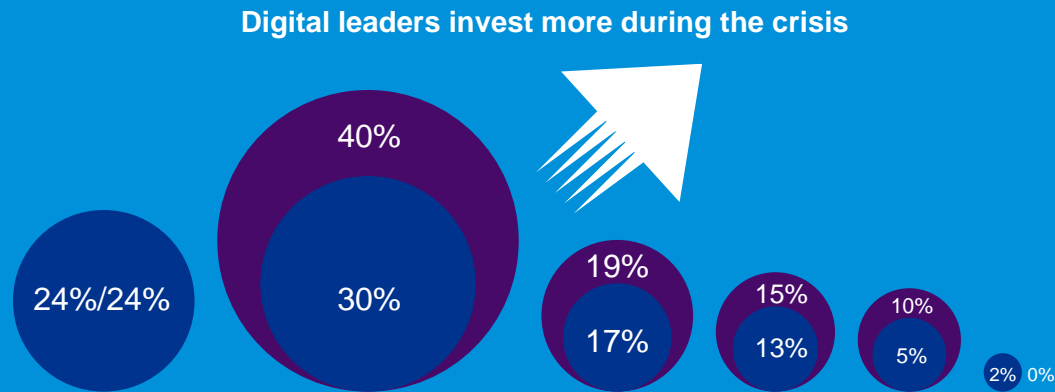
# But is this sustainable? (continued)

## Budget increase expectations by sector



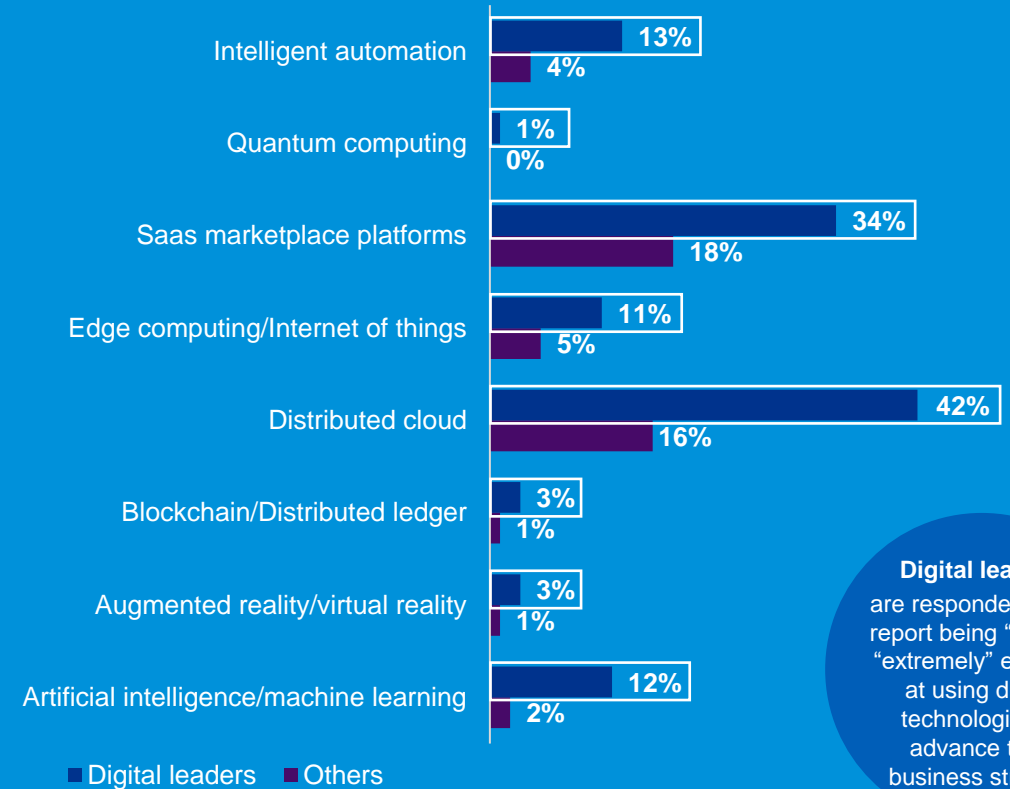
# Companies are investing in specific technologies

## A growing digital divide



**How much additional technology expenditure has there been to deal with the COVID-19 crisis during 2020?**

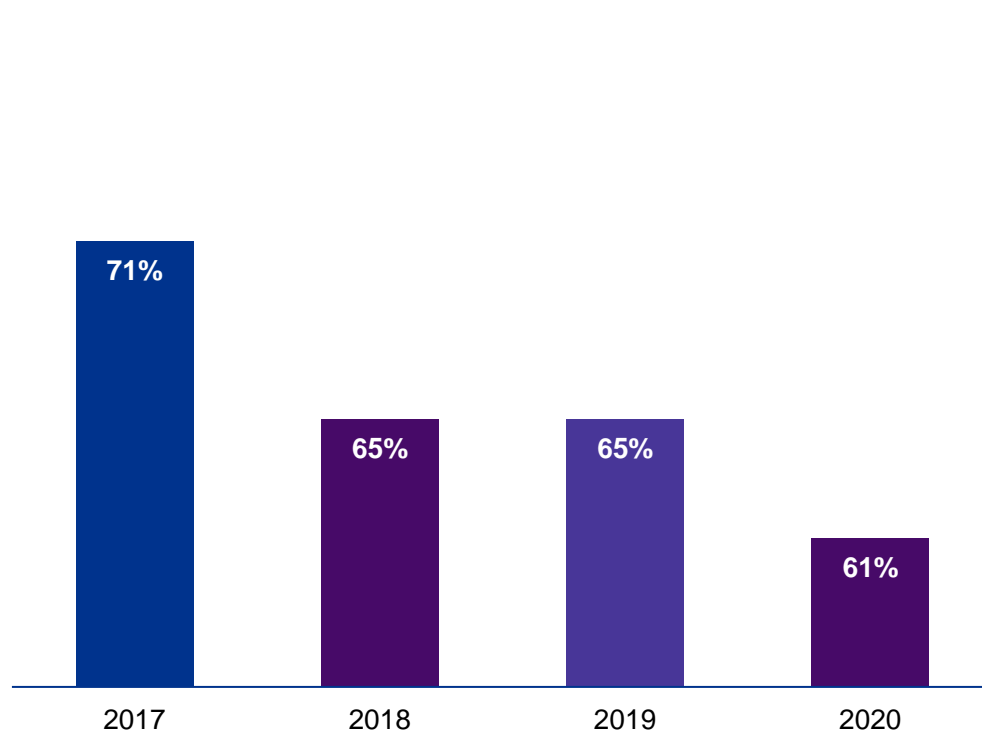
## Large-scale implementations of emerging tech



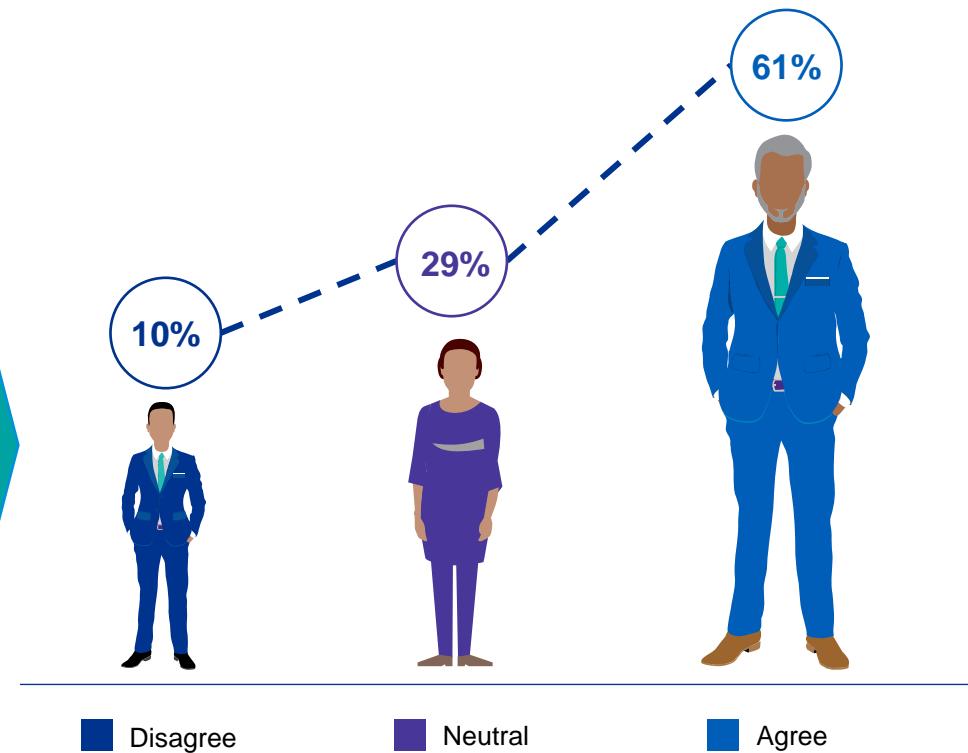
**Digital leaders** are respondents who report being “very” or “extremely” effective at using digital technologies to advance their business strategy

# Leadership and influence

## Executive team membership for CIOs



## To what extent do you agree/disagree that COVID-19 has increased the influence of the technology leader?



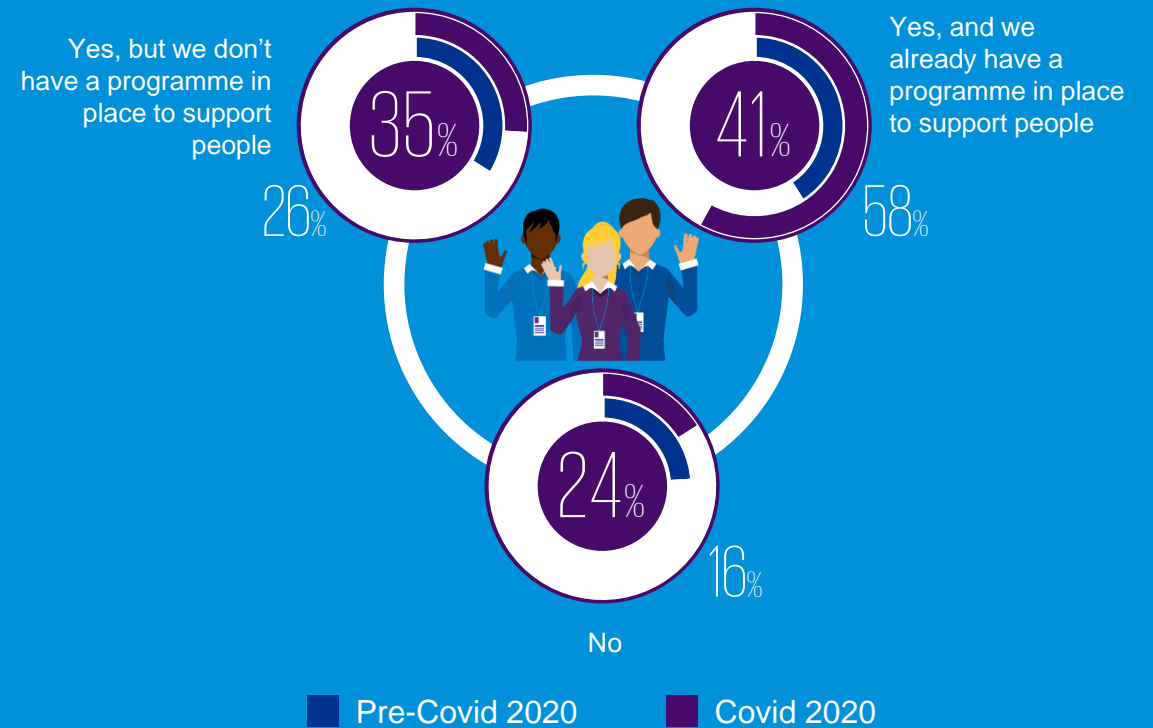
# People and culture

To what extent do you agree/disagree with the following statements? The COVID-19 crisis has permanently resulted in the following:

**70%** believe that **COVID-19** increased collaboration between **business and technology** teams,

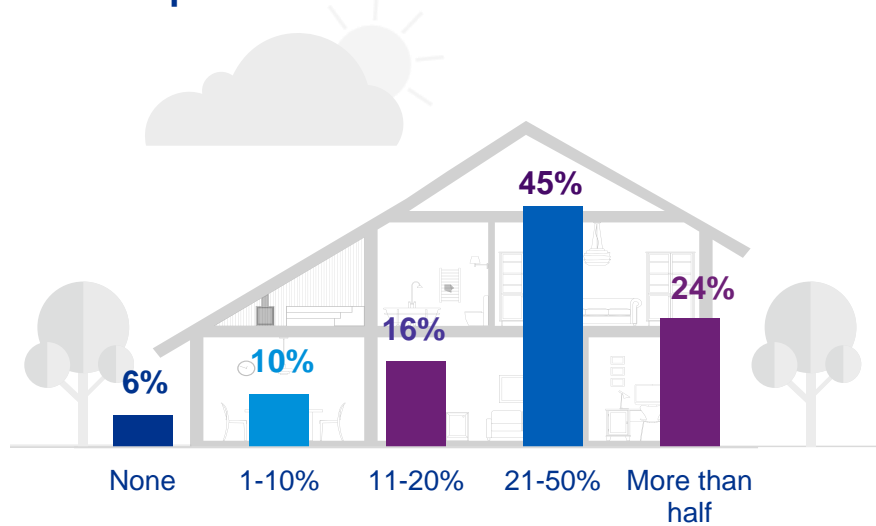
**52%** believe **COVID-19** created a culture of inclusivity in the **technology team**

Are you concerned with the mental health and well-being of your team?

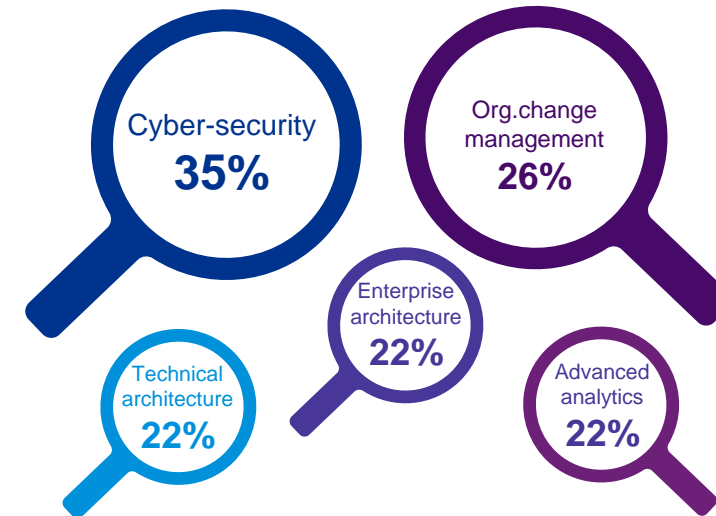


# A new deal for employees

## Proportion of enterprise expected to work predominantly from home post COVID-19



## Most in demand skills



## Top factors in engaging/retaining talent

**1**  
Strong culture and leadership

**2**  
Good remuneration

**3**  
Career progression opportunities

**4**  
Work location and remote work

**5**  
Training, development and reskilling opportunities

# Diversity has a positive effect on business

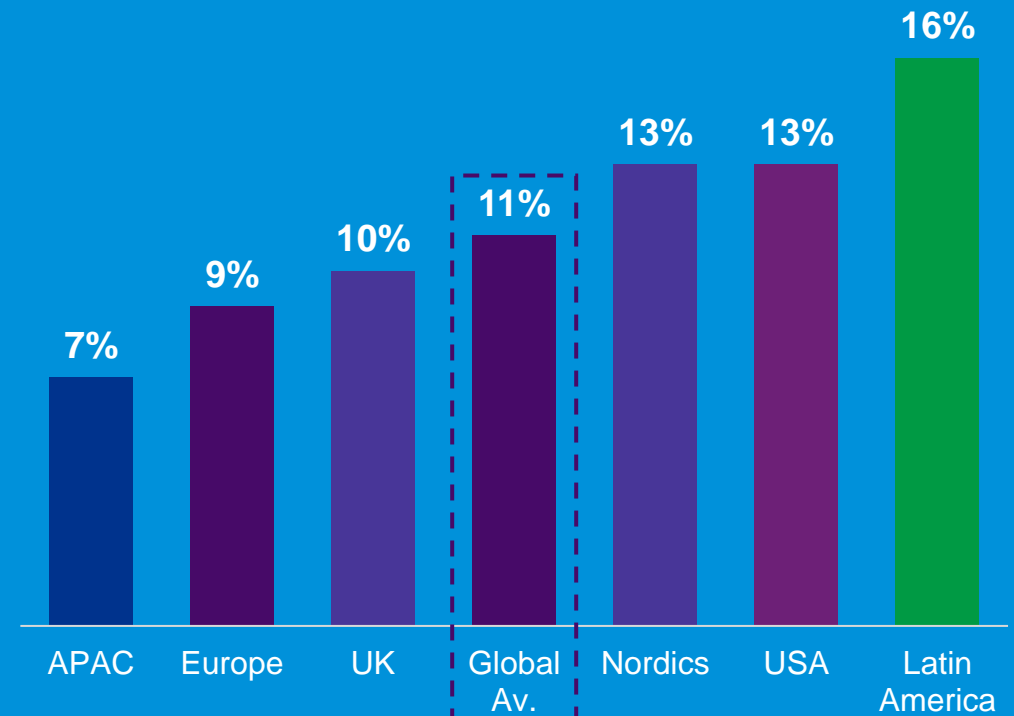
## Top five benefits of promoting diversity

1. Trust and collaboration
2. Engagement with the business
3. Accessing the right skills
4. Ability to innovate
5. Creating customer-focused products



## The world needs female leaders

Female participation by region





# Banking and Insurance specific findings



# Overall View

## Top three business issues that management boards are looking for IT/technology to address as organisations emerge from COVID-19: Banking & Capital Markets and Insurance vs. overall

### Banking & Capital Markets

1. Improving operational efficiency
2. Improving customer engagement
3. Improving agility and speed to market

### Insurance

1. Improving operational efficiency
2. Improving customer engagement
3. Developing new products and services

### Overall

1. Improving operational efficiency
2. Improving customer engagement
3. Enabling the workforce

Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

## Three most important technology investments in light of the new reality: Banking & Capital Markets and Insurance vs. overall

### Banking & Capital Markets

1. Infrastructure/Cloud
2. Security and privacy
3. Customer experience and engagement

### Insurance

1. Security and privacy
2. Automation
3. Customer experience and engagement

### Overall

1. Security and privacy
2. Customer experience and engagement
3. Infrastructure/Cloud

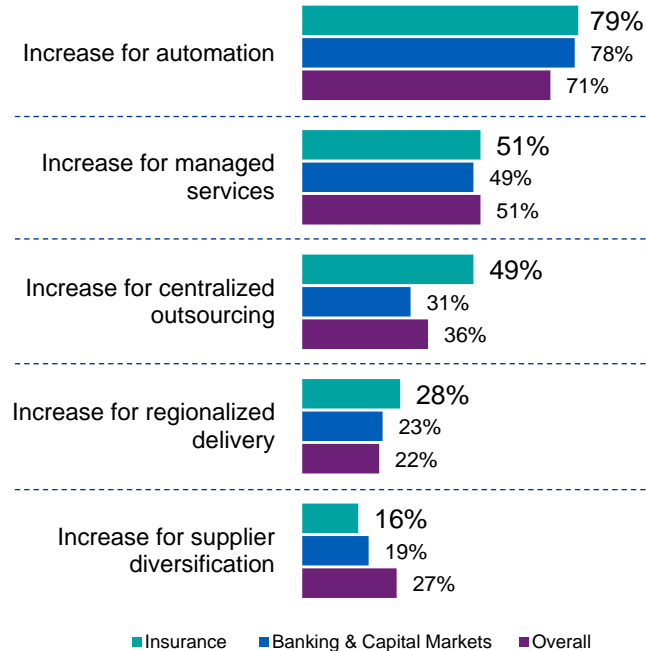
Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

# Strategy & Operating model

Companies were forced to accelerate and scale their digital channels to all of their customers delivering across a digital platform **of integrated data, processes, and technology** with the onset of COVID-19.

## Expected change to service delivery model:

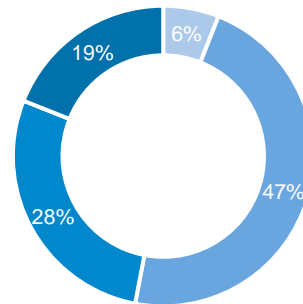
*Banking & Capital Markets and Insurance vs. overall*



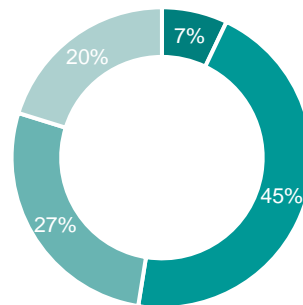
Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

## Four economic recovery paths:

*Banking & Capital Markets*



*Insurance*

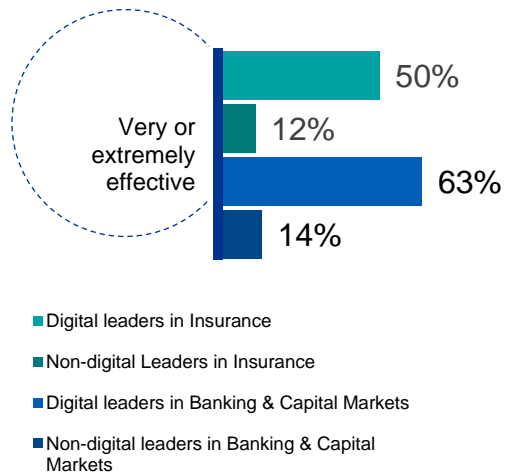


- **Hard Reset** — companies that struggle to recover from COVID-19 due to ‘permanently’ lowered demand for offerings, insufficient capital to ride out extended recession, and/or poor execution of digital transformation.
- **Transform to Re-emerge** — companies that will recover but along a protracted path requiring reserves of capital to endure and transform operating models to emerge stronger and more in line with changed consumer priorities.
- **Surge** — companies that scale post-COVID-19 as consumer behavior that was altered during the crisis is sustained in their favor. Investors sense their potential to lead and provide capital to scale aggressively during recovery.
- **Modified Business-as-usual** — companies seen as daily essentials will suffer effects of the consumer shutdown recession but are expected to recover more quickly as consumer demand returns in similar volumes.

Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

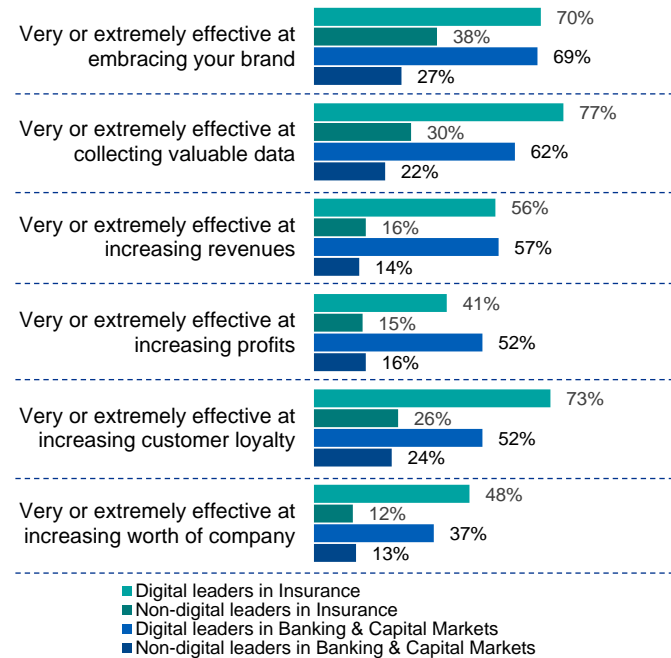
# Delivering value at speed

Organizations that are 'very effective' or 'extremely effective' at pivoting and scaling digital channels to meet new customer demands and expectations:



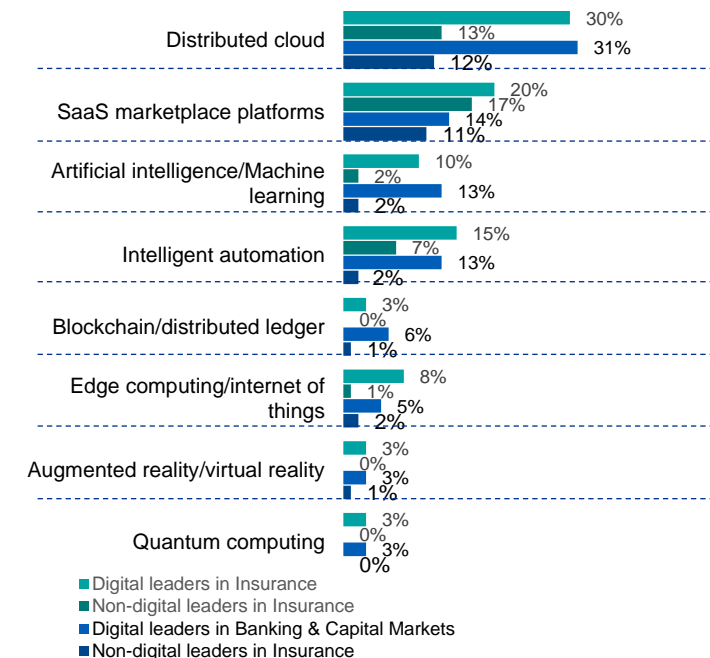
Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

Digital offerings to customers that were 'very effective' or 'extremely effective' at the following:



Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

Large-scale implementations of emerging tech:



Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

# People, culture and diversity

Motivating and engaging the IT team in a more remote environment is critical.

Universal factors such as **culture & leadership (44 percent)** and **good remuneration (43 percent)** are now seen as key across the markets.

## Most in demand skills:

*Banking & Capital Markets and Insurance vs. overall*

### Banking & Capital Markets



Cyber security

Agile methods

Cloud

Organizational change management

### Insurance



Cyber security

Agile methods

Organizational change management

Technical architecture

### Overall



Cyber security

Organizational change management

Enterprise architecture

Technical architecture

Advanced analytics

## Top factors in engaging and retaining key technology talent in the new reality:

*Banking & Capital Markets and Insurance vs. overall*

### Banking & Capital Markets



Strong culture & leadership

Good remuneration

Career progression opportunities

Purpose of organization

Work location and remote work opportunities

### Insurance



Strong culture & leadership

Good remuneration

Career progression opportunities

Training, development, & reskilling opportunities

Work location and remote work opportunities

### Overall



Strong culture & leadership

Good remuneration

Career progression opportunities

Work location and remote work opportunities

Training, development & reskilling opportunities

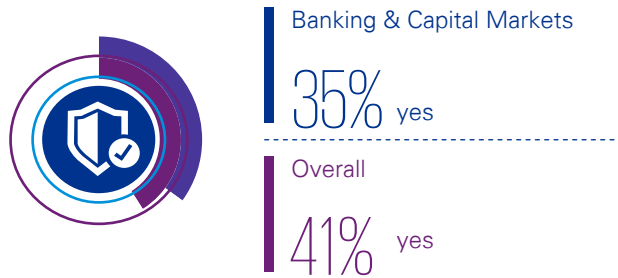
# Cyber

COVID-19 led to a mass relocation of office workers from corporate networks to homes – studies, bedrooms and kitchen tables.

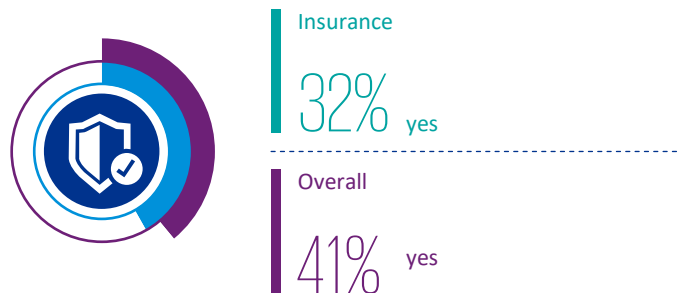
This led to a dramatic increase in **organizations' attack surfaces** with **more than four in ten organizations experiencing an increase in cyber security incidents.**

## Organizations that experienced an increase in security or cyber incidents due to remote working

*Banking & Capital Markets vs. overall*



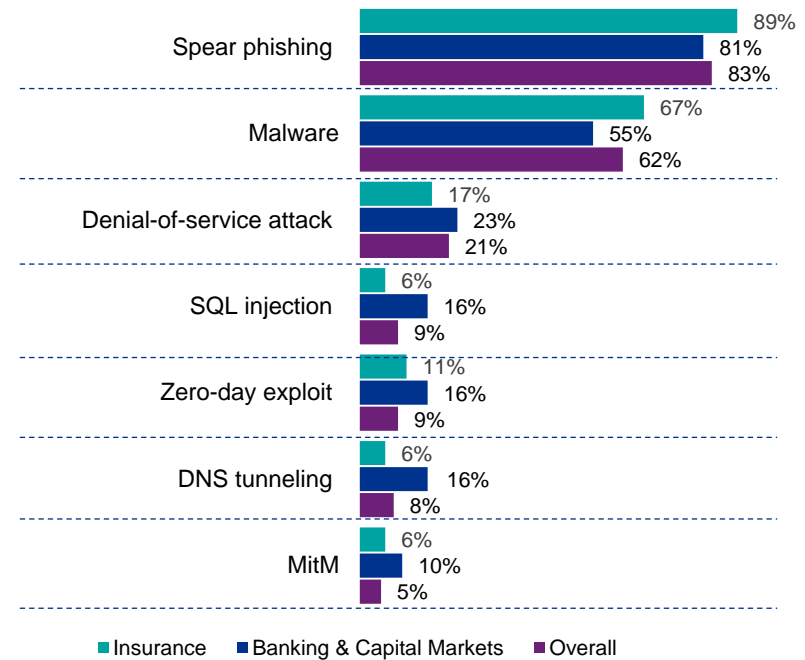
*Insurance vs. overall*



Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

## Increase in types of attacks due to remote working:

*Banking & Capital Markets, Insurance vs. overall*

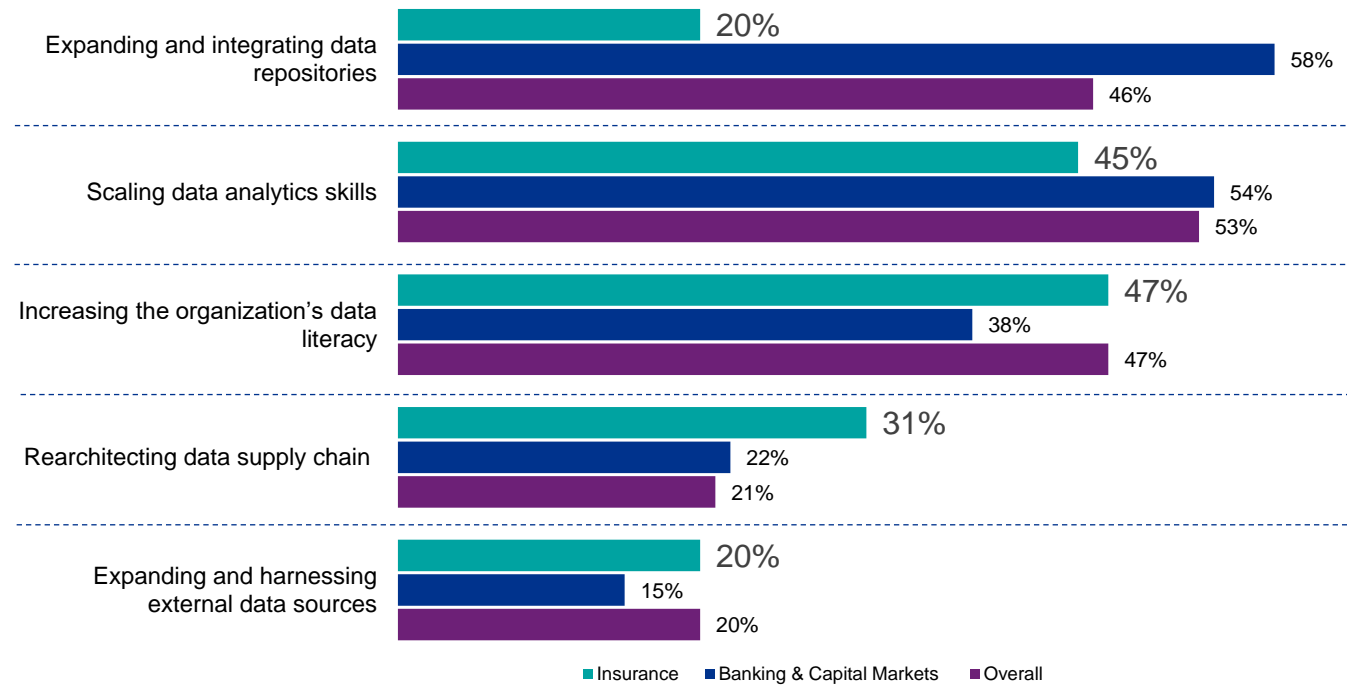


Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

# Analytics

## Top priorities for organizations' data strategy:

*Banking & Capital Markets, Insurance vs. overall*



Source: 2020 Harvey Nash/KPMG CIO Survey, KPMG International

# What now?

Link to the full report [here](#)



**Harvey Nash/KPMG CIO Survey 2020: Everything changed. Or did it?**  
Explore how leading IT organisations are reacting to COVID-19 impacts.

KPMG in the UK > Insights > Harvey Nash/KPMG CIO Survey 2020: Everything changed. Or did it?

1 min read

Now in its 22<sup>nd</sup> year, the Harvey Nash/KPMG CIO Survey 2020 is the largest IT leadership survey in the world, with over 4,200 responses from CIOs and technology executives across 83 countries.

We received 1,094 responses in the UK: 47 percent of respondents were either CIOs or IT directors. This year's UK report references both pre-COVID-19 findings as well as responses during COVID-19. Together, they give us a unique insight into the before, during and continuing aftermath of the pandemic.

There is no doubting the pandemic's dramatic effect on almost every aspect of business and life. It exposed a growing digital divide, shifted some priorities and amplified many of the challenges that IT organisations faced prior to COVID-19. However, two long-standing priorities for boards remain the same:

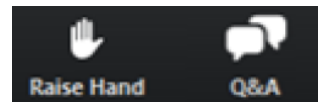
1. Improving operational efficiency
2. Improving customer engagement.

**Phil Crozier**  
Partner, Connected Technology  
KPMG in the UK  
+44 20 7311 1353  
phil.crozier@kpmg.co.uk

If you want to discuss further or want to participate in the CIO Survey 2021, please send me an email to [Thorsten.Schulz-Gerhardt@kpmg.co.uk](mailto:Thorsten.Schulz-Gerhardt@kpmg.co.uk)

# Questions

**Please click on the 'Raise Hand' icon  
to ask a question  
and  
wait to be unmuted  
or  
Use the Q&A function**







Thank you



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.