

Harvey Nash/KPMG CIO Survey 2017

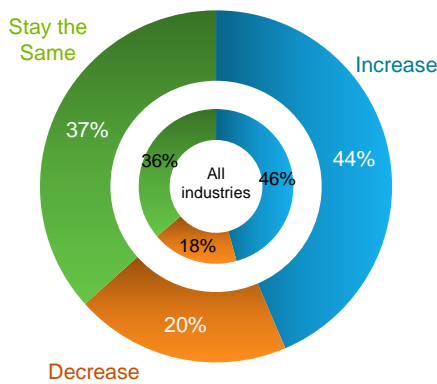
Construction/Engineering Sector Findings

The Harvey Nash/KPMG CIO Survey is the largest IT leadership study in the world, with almost 4,500 respondents across 86 countries, representing over US\$300bn of IT budget spend.

This construction/engineering sector snapshot provides survey responses from 119 construction/engineering companies on some of the key topics, and highlights several areas where this sector's responses differed significantly from those from across all industries.

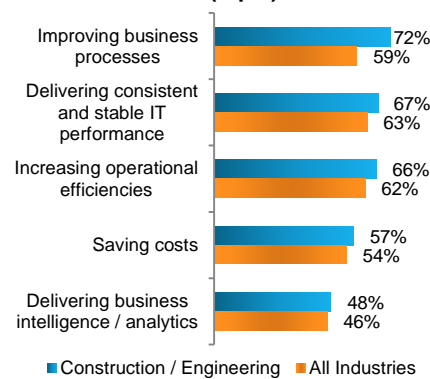
Key Topics

Looking forward, over the next 12 months, do you expect your IT budget to?



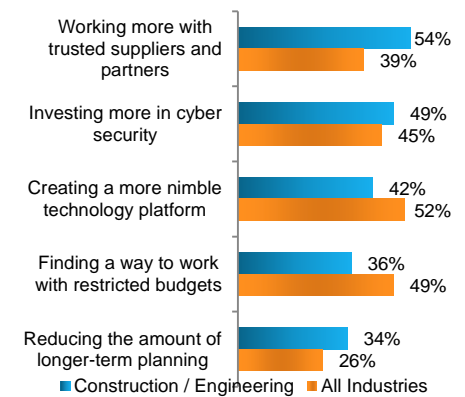
Construction/engineering companies are **slightly more pessimistic about their IT budgets** than other industries, with fewer expecting a budget increase (44% vs 46% for all industries), and more a decrease (20% vs. 18%).

What are the key business issues that your management Board is looking for IT to address? (top 5)



Construction/engineering company Boards most notably place a **greater priority on improving business processes** (72% vs. 59% for all industries), with most top priorities focused on driving cost savings and business efficiencies.

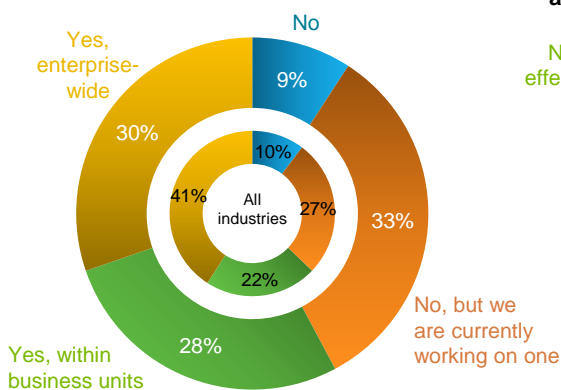
How have you adapted your technology plans to deal with uncertainty? (top 5)



To deal with uncertainty, construction/engineering companies are most notably **more likely to work more with trusted partners** (54% vs. 39% for all industries), and are **less likely to find a way to work with restricted budgets** (36% vs. 49%).

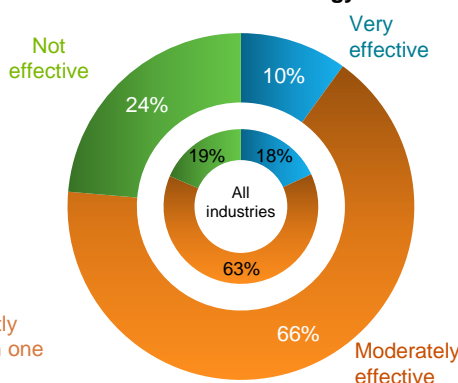
Digital Strategy

Does your organization have a clear digital business vision and strategy?



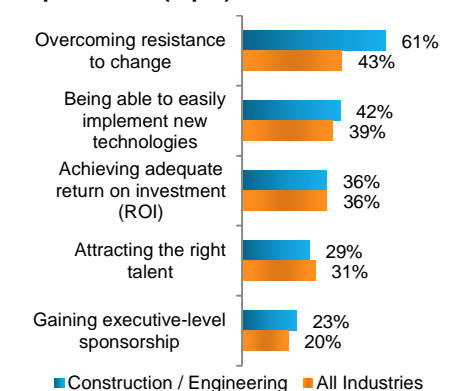
Construction/engineering companies are **far less likely to maintain an enterprise-wide digital business strategy** than in other industries (30% vs. 41% for all industries).

How effective has your organization been in using digital technologies to advance its business strategy?



Construction engineering companies **report extremely low overall effectiveness levels in their digital strategies**, with just 10% describing their strategies as very effective, compared to 18% for all industries.

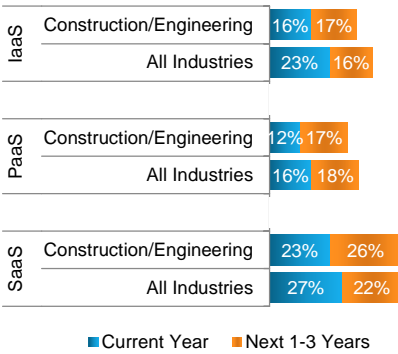
Which of the following represent the greatest challenges to your organization's successful implementation of digital capabilities? (top 5)



When implementing digital capabilities, construction/engineering companies **face far greater challenges overcoming resistance to change** (61% vs. 43% for all industries), which is by far the greatest challenge.

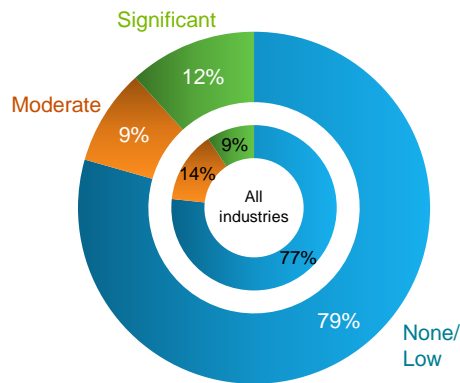
Technology & Innovation

How would you characterize your current investment in the following cloud services and how do you expect that to change over time? (Significant Investment)



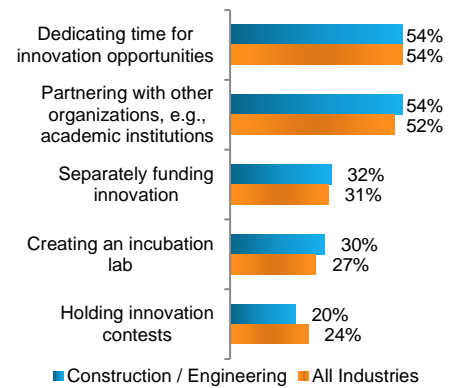
Compared to other industries, construction/engineering companies are **less likely to invest significantly in IaaS and PaaS**, and **equally likely to invest in SaaS**.

How would you characterize your current investment in digital labor?



Construction/engineering **has invested roughly equally in digital labor** as other industries, with more making significant investments (12% vs. 9% for all industries), but fewer making moderate investments (9% vs. 14%).

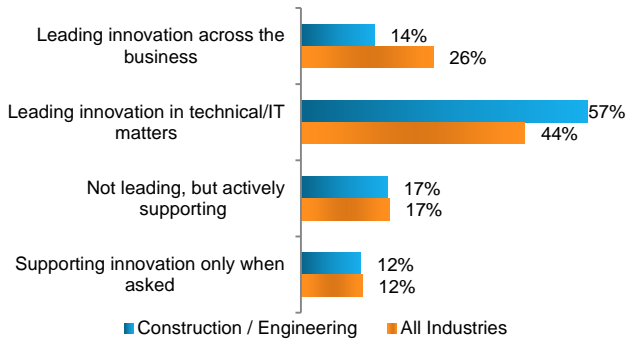
In which of the following ways is your organization fostering innovation?



Construction/engineering companies **tend to undertake the same innovation-related activities** as other industries, with dedicating time for innovation opportunities and partnering the most common.

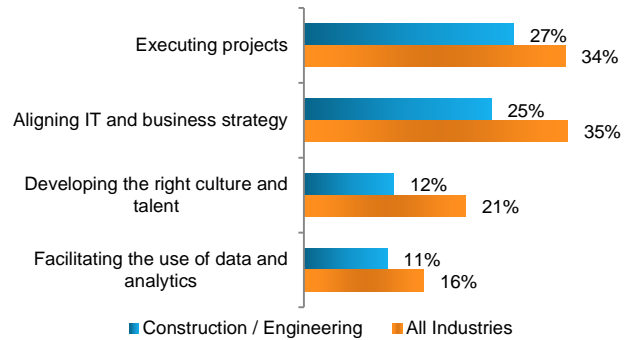
Significant Differences

Which of the following do you think best describes the role your organization's CIO is currently playing in promoting innovation?



Compared to non-industry peers, construction/engineering CIOs are **less likely to lead innovation across the business** (14% vs. 26% for all industries), and **more likely to lead only in technical/IT matters** (57% vs. 44%). They are equally likely to take secondary, supporting roles.

How effective is your IT organization in each of the following capabilities? (Very Effective)



Construction/engineering companies **fall short of cross-industry effectiveness benchmarks in several key IT capabilities**, including executing projects, aligning IT and business strategy, developing the right culture, and facilitating the use of data and analytics.

Conclusions

While the Construction / Engineering sector results clearly indicate a lagging industry, it is not surprising. The findings are consistent with KPMG's 2016 Global Construction Survey, which indicated 69% of companies are either 'followers' or 'behind the curve' when it comes to technology and innovation. Those that do invest in disruptive technologies often gain a step-change in performance, but the industry's traditional conservatism holds back its ability to tackle the complexity of today's projects, and for some the cost and risk of adopting new technologies outweighs the perceived benefits.

In the face of threats from disruption, increasing project size and complexity, and continued and consistent global headlines of spectacular failed projects, it is time to harness the opportunity that technology and innovation present for the sector.

KPMG's 2017 Global Construction survey explores what leading construction / engineering companies are doing to advance the curve, and the role technology plays alongside people and performance.

Further information

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