2017 Global Digital IQ® Survey

10th anniversary edition
Territory focus: Africa

PwC worked with Oxford Economics in late 2016 to survey more than 2,200 senior business and IT executives from 53 countries and more than 30 industry segments. In 10 years of measuring Digital IQ—a rough measure of ability to assimilate 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 focuses on findings from Africa, where we received 52 responses from Zambia (1), Zimbabwe (1), Ghana (2), Uganda (2), Kenya (6), Mauritius (4), Nigeria (4), and South Africa (32); all respondents were from organizations with at least $50 million in annual revenue.

Digital IQ, leadership, and goals

Most organizations around the world have not done enough to keep up with the digital revolution—and leadership is falling short. African companies match their global peers in many measures of Digital IQ: just over half rate their organization's Digital IQ above 70. And while nearly two-thirds rate their CEO's Digital IQ above 70, just 56% say their CEO is a champion for digital (vs. 68% of others).CEO and CIO support is critical to developing successful digital initiatives, along with attention to human factors.

Business-model innovation and technology platform integration are top digital initiatives for African organizations over the next three years; South African companies are more likely to cite technology platform integration (50%, vs. 40% of others in Africa).

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

Approaches to emerging technology

When we started measuring Digital IQ back in 2007, technologies like social, mobile, cloud, and analytics were still entering into 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.

Yet most companies are not better prepared in 2017 to adopt emerging technologies than they were a decade ago. African executives are focused on digital innovation, but may not have the processes in place to execute on strategy: 87% say identifying opportunities to digitize our enterprise is a critical part of their innovation process (vs. 79% of others), but only 63% take a systematic approach to evaluating emerging technology (vs. 76% of others).

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For more insights on our Digital IQ Survey, download our global report at www.pwc.com/digitaliq.

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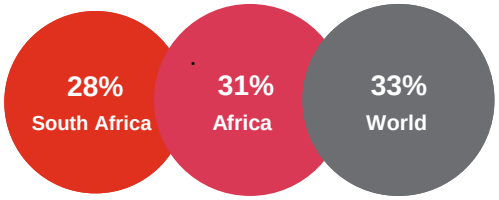
Similar to organizations in other parts of the world, investments in Africa are focused on IoT and artificial intelligence (69% and 42% are investing heavily today, respectively), and expected to continue over the next three years (63% and 60%). African firms are more focused than their global peers on virtual reality—21% are investing heavily today, vs. 7% of others.

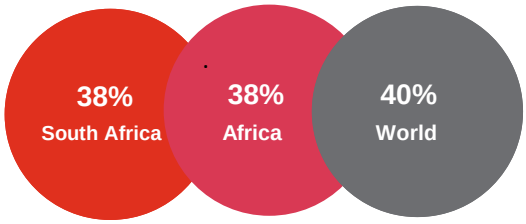
Executives in Africa take a different approach to exploring emerging technologies than their peers, including collaboration with other companies. They are more likely to network with other industry leaders (54% vs. 27%) or with vendors (40% vs. 31%). Meanwhile, they are somewhat less likely to use industry analysts (66% vs. 78%) or competitive intelligence (56% vs. 69%).

Innovation methods



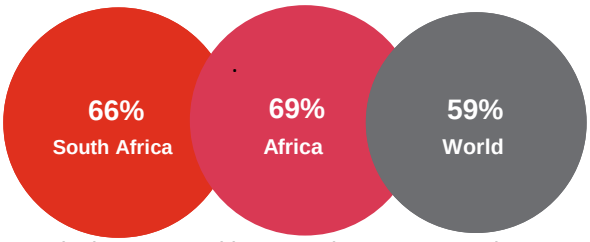
We primarily use a dedicated innovation or lab group to explore emerging technologies.

Business approaches



Our approach to emerging technologies is business driven; we have a proactive and systematic approach to filtering technology based on defined business criteria.

External engagement



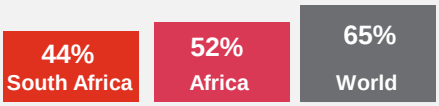
We actively engage with external sources to gather new ideas for applying emerging technologies.

The human factor

The human experience is a critical dimension of Digital IQ; to get full value from technology, organizations must create digital cultures that adapt to change, focus adequately on customer and employee experiences, and develop the right mix of skills within their workforce.

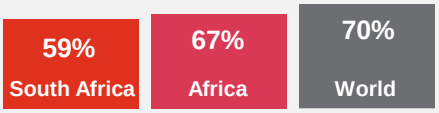
Like their peers around the globe, African companies lack many necessary digital skills, especially in user experience and human-centered design (40% say this skills is well-developed in the workforce vs. 38% of others). And they could do more to close these skills gaps: currently, just 65% regularly update their talent model to address changing digital skills, compared with 72% of others.

Workforce skills



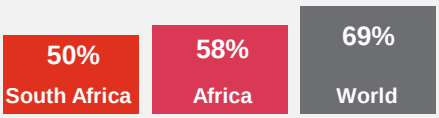
Our employees have the skills required for the evolving digital economy.

User experience



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

Organizational culture



Our culture embraces rapid change and disruption.

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