



# Building up to transformation

Digital maturity of  
Canada's industrials sectors

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do this.**

# Time to pick up the pace on digital transformation

Canada's industrials sectors—comprising manufacturing, mining, oil and gas, power utilities, construction, transportation, infrastructure and others—have played a pivotal role in shaping our country's history and economic prosperity, and will continue to do so in the future. Yet as C-suites across these industries chart their path forward, they find themselves confronted by the same unprecedented, disruptive changes that have roiled other sectors in recent years.

Front-line, customer-facing industries such as retail and banking were among the first to be impacted by these disruptive changes. Shifting customer behaviours, increasing demands, industry convergence, and technology advances that lowered the barriers of entry for new players compelled companies in these industries to rethink their business models as a matter of survival.



## Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.

“No sector of the economy has been untouched by digital transformation. Automation, digital platforms, and other disruptive technologies are transforming existing industries and opening up new markets, but are leaving some feeling uncertain about how this will affect them going forward... Embracing digital and data-driven technologies provides an opportunity to push the boundaries of what is possible. It will enable Canada to create new business opportunities, foster new, high-value jobs, improve the collective ability to be leaders of change, and create a better quality of life for all.”

**Innovation, Science and Economic Development Canada:** Canada's Digital Charter in Action: A Plan by Canadians, for Canadians

Today is truly the “age of the customer,” and companies in every industry must evolve and adapt accordingly in order to survive and thrive.

The behavioural shifts and rising demands first seen in the business-to-consumer (B2C) space are now reshaping business-to-business (B2B) relationships and expectations, driving the need for greater transparency throughout ever more integrated value chains. To thrive in this changing environment, it isn't enough for industrials to take a “catch-up” approach to technology investment. These companies must explore investment in new exponential technologies—such as robotics, intelligent automation, the Internet of Things (IoT), machine learning and machine-to-machine (M2M) communication—that can help them stay relevant in the years to come. But are industrials ready to make big bets on tech?

To learn more about the digital readiness of Canada's industrials, we surveyed leaders from 165 companies across the country, from regional and national players to global giants. We found that companies have significant digital ambitions and high expectations for returns on their investments.

Companies are excited about the potential of new technologies, making smart moves on cyber security, and they're eager to harness the potential of data and analytics. They're also ready to embrace a customer-centric way of doing business.

We also found that companies in these industries may not be investing at the level needed to achieve their investment goals. Some are overlooking quick wins that are comparatively easy to implement. Others struggle to achieve the data integration needed to realize data's potential. And many seem to have dismissed the opportunities and insights that “Big Data” may offer.

In this report, we examine what companies in Canada's industrials sector are doing in terms of strategic technology investments in their ongoing digital transformation journey. We will also explore what these companies should be doing to ensure they make meaningful progress and create lasting competitive advantage today and tomorrow.

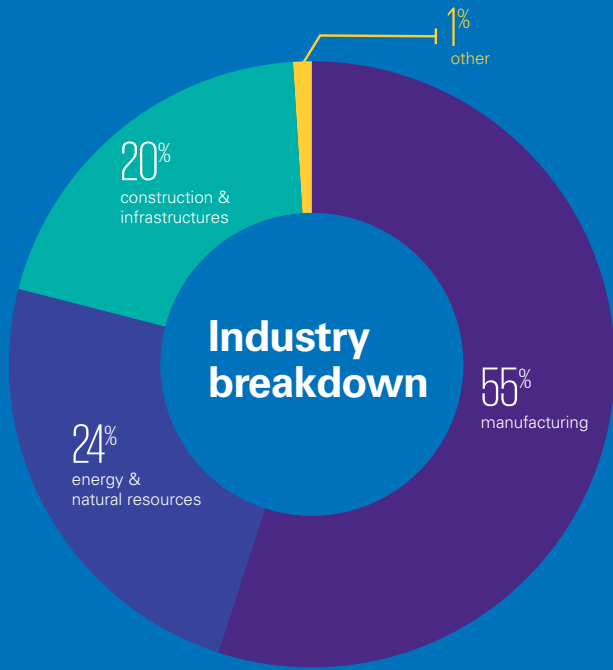
“Digital transformation is no longer an option—it's essential to remaining competitive. A piecemeal approach to digital transformation won't get companies where they need to be, either. Companies must approach digital at the enterprise level and take deliberate steps supported by sustained investment in digital technologies. Those investments must align with their long-term business strategy and key business objectives. This is the only approach to delivering the expected value and sustain long-term growth and profitability.”

**Stephanie Terrill**  
National Leader,  
Management Consulting  
KPMG in Canada



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1 in 10

feel Big Data has had a big impact on their business

63%

say data influences decision making

≤ 5%

of revenue to be invested in digital transformation

165

participating companies from across Canada



48%

using tech to improve demand-driven supply chains



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**Investment priorities:**

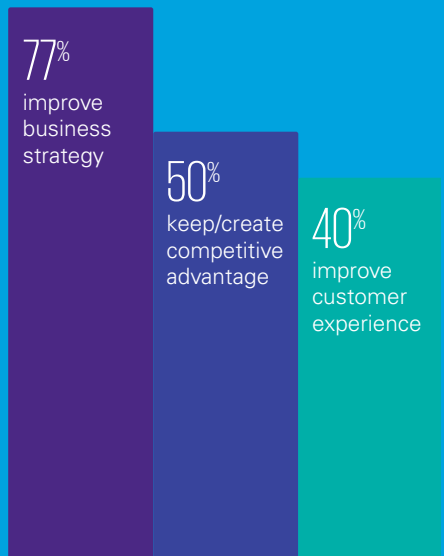
Tech infrastructure > exponential technology

60%

concerned about cyber security risks



**Top tech investment goals**

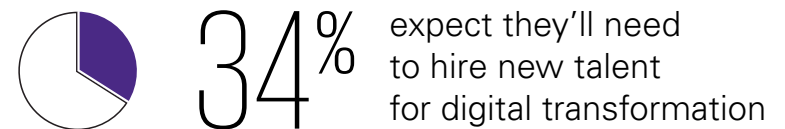
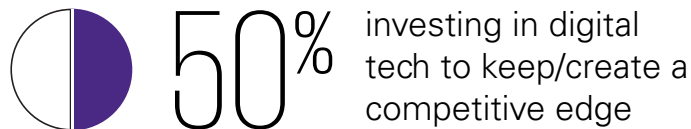
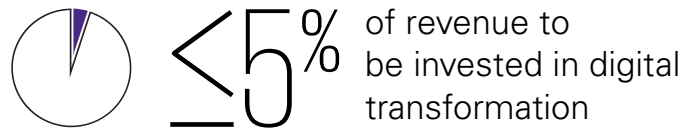


80%

expect meaningful ROI on tech investments in less than 3 years



# Digital investment: High ambitions, moderate funding



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Digital transformation is increasingly on the leadership teams agenda at companies across Canada's industrials sector. Respondents' organizations see digital transformation as a fundamental enabler of long-term competitiveness, and they're making significant investments accordingly.

In many ways, industrials are playing catch-up. While digital technology transformed how companies in traditionally customer-facing industries do business, those in the sector largely stayed on the sidelines.

They had little incentive to invest in front-office transformation (e.g., in customer relationship management systems, e-commerce or social media). Many have continued to “make do” with legacy systems that enable them to manage the business, but make it challenging to capitalize on innovations.

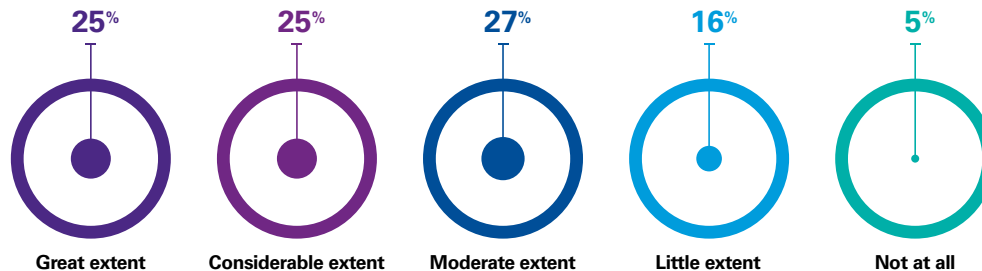
These organizations haven’t completely fallen behind the times, of course. Mining companies send engineers deep into their mines with mobile devices

while autonomously driven trucks carry ore across the landscape. Elsewhere, oil companies use drones to monitor hard-to-reach areas in key facilities. Some manufacturers are using integrated sensors to monitor the status of key machinery. However, digital technologies, especially exponential technologies such as robotics, IoT, machine learning and more, remain underutilized and their full potential untapped.

45%

of respondents feel they are in a good position relative to their peers when it comes to tech/digital implementation

**Extent of tech investment being made in order to maintain/create competitive advantage**



Source: KPMG in Canada research and analytics



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## Digital investments planned across the enterprise

Respondents anticipate that their companies' digital investments will be allocated across the enterprise, though front-office investments may be less of a priority. That's understandable, since digital investments in the middle-offices and back-offices strengthen the business' foundations and help make up for historical underinvestment in these areas. Focusing on the middle and back offices also aligns with companies' main objectives for technology investment: improving systems integration, reducing redundancies, and improving

the flow of information used to support decision making.

However, companies shouldn't ignore front-office digital investments entirely. Upgrading the front office can create opportunities to completely rethink how companies interact with customers and suppliers alike. Automated order-taking, real-time inventory and other offerings can be a powerful differentiator in industries where even the smallest advantage can be pivotal.

**Though companies are making investments across the enterprise, the middle-office is a key focus for many.**



Source: KPMG in Canada research and analytics

“Productivity expectations are only going in one direction: up. Investing in digital transformation is critical—but organizations also need to invest in technology that allows them to unlock the value of their existing legacy assets as well. In many cases, existing infrastructure may be too costly or difficult to replace completely, but IoT and other investments can help companies squeeze every last dollar from every machine.”

**Yvon Audette**  
Chief Operating Officer,  
Management Consulting Services  
KPMG in Canada



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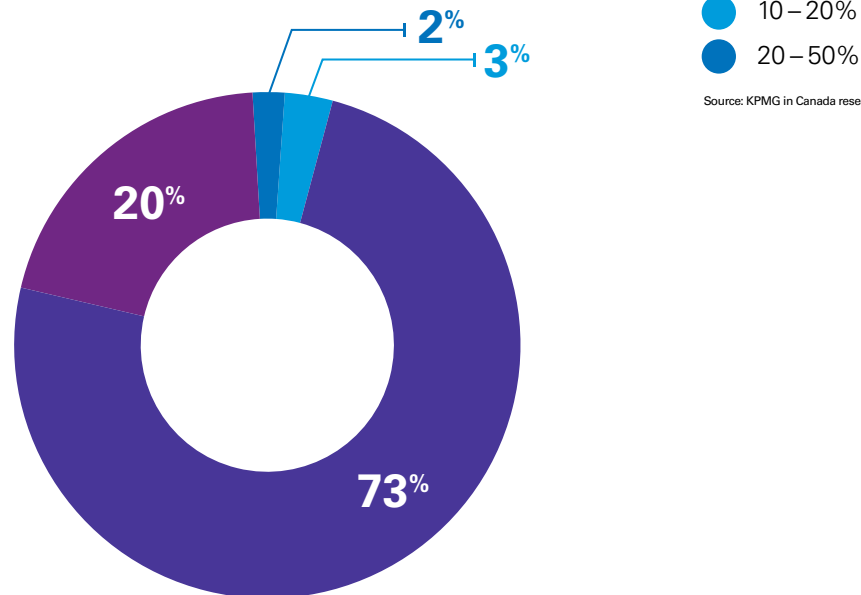


## Do companies' investment plans match their ambitions?

The companies we surveyed believe they're making sizeable, significant investments in digital technology—but their level of investment might be too modest, and at times too linear, to meet their objectives.

The vast majority of respondents' companies expect to invest less than five percent of revenue in technology and digital transformation. At this level, companies are able to achieve incremental improvements to the technology foundation already in place. That's useful, but it's unlikely to deliver a competitive edge.

**Anticipated spend on tech/digital projects as a percentage of revenues**



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“To truly move the dial, companies need to do more than make incremental investments in digital transformation. More substantial investment can allow companies to do more than upgrade the back-office or middle-office. It can enable them to build a modern digital foundation for a great leap forward through the use of emerging and future technologies. For example, companies are investing in new, more modern supply chain and e-procurement cloud-based solutions rather than bolting new technology to their legacy systems. It’s a big move, but one that will enable them to capitalize on new capabilities.”

**Stephanie Terrill**  
National Leader,  
Management Consulting  
KPMG in Canada

## Companies set high expectations for digital ROI

The companies we surveyed also have high expectations for their digital investments, with 41 percent expecting a return on their investments within two years.

That's possible—but it depends on the technology invested in. Cloud investments, for example, can deliver

a noticeable return within such a timeframe, because it doesn't require internal IT development and support or complex, lengthy implementations and is very effective for addressing specific areas of friction in business processes. Investments in mobile or wearable technology also lend themselves to a quick ROI.

Companies expecting rapid returns from major investments on new Enterprise Resource Planning (ERP), Human

Capital Management (HCM), Enterprise Performance Management (EPM) and other systems or autonomous vehicles should probably adjust those expectations.

Another factor complicating companies' ambitions for quick digital investment ROI? Their belief that they will be able to execute their digital transformation plans themselves. Surprisingly few respondents feel they'll need to recruit new talent to carry out their digital plans.

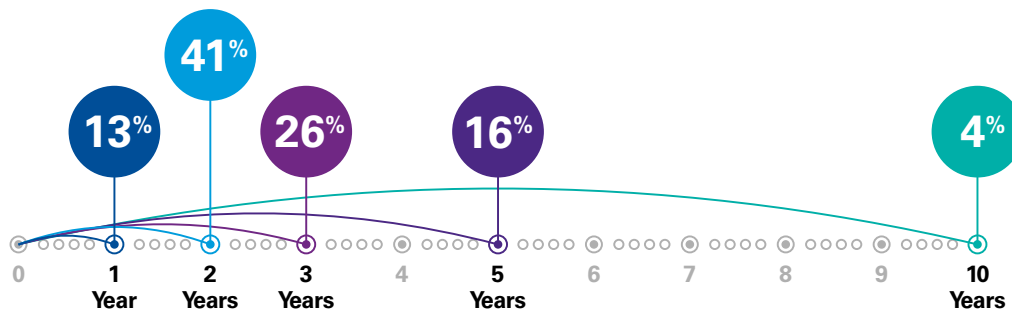
**In 2018, a major global auto manufacturer unveiled plans for an US\$11 billion investment in electric vehicles, including the infrastructure needed to design and manufacture them; the company anticipates seeing the results of this long-term investment within 12 years. That same year, another global automaker announced that it would be investing €3.5 billion to build digital businesses and products, among them a cloud platform to connect vehicles and customers and offer car sharing and other services. The company anticipates that the move will generate €1 billion in sales within seven years.**



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### Expected payback timeline for technological investments



Source: KPMG in Canada research and analytics

# Only 34%

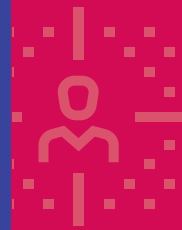
of companies feel digital transformation will require significant hiring of new talent

**Companies are making significant technology investments to realize a number of benefits across the business**



50%

integrate systems to reduce redundancies and improve decisions



40%

improve customer experience



39%

reduce cost of goods sold



38%

reduce total lead time



38%

improve back-office efficiency



34%

reduce back-office support costs



34%

improve employee experience



31%

increase revenue through new products or services

30%

increase revenue through additional services

26%

reduce inventory on hand



**Where are you in with your digital transformation journey?**

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# Accelerate your digital agenda

## Think strategically about your tech investments

Direct funds where they will make the biggest impact on your long-term competitiveness.

## Re-evaluate your ROI expectations

You can realize some important value from digital technology in the short-term, but full transformation takes time.

## Increase investments in digital transformation

Achieving true competitive advantage will require more than incremental investment levels. Accelerating your progress and your ambitions demands bigger budgets for digital technology.

## Identify internal skill gaps

Most companies don't have the necessary skillsets in-house to drive a full digital transformation. Identify gaps early on and ensure they are addressed.



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Where are you in your digital transformation journey?  
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# Technology adoption: Cautious steps forward



## Where are you in with your digital transformation journey?

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Companies in Canada's industrials sectors are setting their sights on digital transformation—and many have already targeted the technologies they're going to invest in as part of their journey.

## Current state: Companies ante up

Based on our findings, respondents' existing investments tend to involve functionally siloed projects. Integration with operational strategy isn't always clear, and in our experience, few Canadian companies in these industries have achieved the kind of holistic, end-to-end integration that is the hallmark of a digitally transformed and truly connected enterprise.

Everyone is dabbling in digital technology to some degree, but it's not clear many are doing so with a destination in mind.

### Future state: Big plans, big bets

While companies may have been slower to invest in digital technologies in the past, they appear ready to make some bolder plays in the years to come. Close to half of respondents plan to leverage intelligent automation and IoT technologies. Companies also seem ready to commit funds to adopt M2M communication technology, augmented decision support and robotics, as well as to improve cyber security.

As was noted in a KPMG International report, *A reality check for today's C-suite on Industry 4.0*: The time for experimentation is ending, the opportunities

A sizeable majority of respondents say their company has adopted various cyber security-related technologies to protect their data, assets and people. Nearly half use demand-driven supply chain technology or cloud-based technology. Fewer companies have invested in more recent technology innovations such as M2M communication technology, robotics, and IoT connected devices. And companies are much less likely to have invested in leading-edge technologies such as intelligent automation, additive manufacturing or digital twins.

for disruption are vast—and those left behind will feel disruption's impact deeply. The World Economic Forum (WEF) found that new technology investments contributed to improved productivity in the decade after the 2008 economic crisis; however, the overall productivity increase was driven by the most productive 20 percent of companies in each industry. While these industry leaders doubled their productivity, industry followers actually saw their productivity fall.<sup>1</sup>

“Companies should already be investing in IoT-compliant technology—especially to connect their legacy equipment. IoT enables improved maintenance, less downtime, and greater visibility into production and delivery. It's fast becoming a baseline requirement for companies in these capital asset-intensive sectors; those that fail to invest in IoT will quickly fall behind.”

**Yvon Audette**  
Chief Operating Officer, Management Consulting Services  
KPMG in Canada



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The WEF's assessment of the cumulative value impact of digital transformation over the next 10 years illustrates just what's at stake for some of the world's largest industries. The WEF estimates that worldwide, \$0.67 trillion of value is at stake for automotive players,<sup>2</sup> \$1.3 trillion in the electricity industry,<sup>3</sup> \$1.5 trillion for logistics companies,<sup>4</sup> \$1.6 trillion in the oil and gas sector,<sup>5</sup> and \$0.32 billion for mining

companies. It's unclear whether companies' technology investments are based on an acknowledgement that a revolution is underway. It's great to see that these companies are investing in digital technology and gathering data about processes and customers. We encourage them to go the extra mile and harness that data to boost performance, create new value, and achieve a durable competitive advantage.

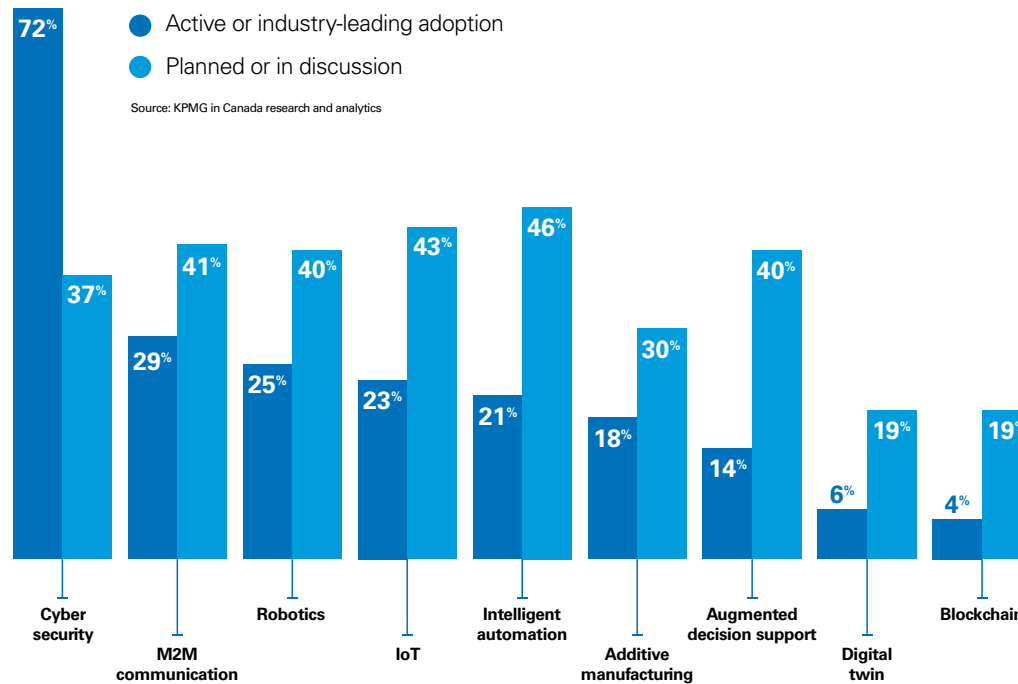
23%

of companies are using robotics for manufacturing processes

5%

use robotics for administrative processes using back office robotic process automation

**We asked companies where they have currently invested their tech dollars and what their plans are for the next three years.**



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<sup>1</sup> World Economic Forum, "Digital Transformation Initiative: Maximizing the Return on Digital Investments"

<sup>2</sup> World Economic Forum, "Reinventing the wheel: digital transformation in the automotive industry"

<sup>3</sup> World Economic Forum, "Electricity: generating value through digital transformation"

<sup>4</sup> World Economic Forum, "Delivering change: digital transformation in logistics"

<sup>5</sup> World Economic Forum, "Digital Transformation Initiative Oil and Gas Industry."

## Companies may be overlooking important investments

As companies in Canada's industrial sectors set out ambitious plans to adopt new technologies as part of a longer-term digital transformation, it's important that they don't overlook key areas that can deliver enormous value.

Investments in demand-driven supply chain technology should be higher, as the benefits cascade throughout the entire supply chain. In sectors such as consumer packaged goods or industrial manufacturing, for example, improvements in the upstream of the supply chain lead to better cash conversion cycles and enhanced customer service levels.

Companies may be passing on cloud because it can be difficult to integrate with aging legacy systems. What companies may not realize is that cloud also offers smaller, niche solutions that target specific friction points and provide fairly rapid benefits. Given

companies' ambition for a fast return on their technology investments, they should give cloud another look. Cloud is about much more than accessing offsite, on-demand computing power or data storage. Cloud services can enable companies to dramatically change how they do business. With cloud, companies can respond more nimbly to changing business conditions, significantly improve productivity, adopt best-in-class solutions and processes, and access leading-edge technology without the cost and effort involved in building and maintaining systems in-house.

It's surprising that more companies aren't planning to capitalize on IoT technology, which is relatively simple and can enable companies to extract data from legacy systems and equipment. While it's not the same as introducing new IoT technology, getting some data from legacy equipment is still an improvement over getting no data.

# 64%

**of respondents say leveraging IoT technology for predictive maintenance and plant protection is important**



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# Accelerate your digital agenda

## Invest in IoT

IoT connected devices are available, quickly implemented, and they'll work with much of your legacy technology. Investing in IoT can greatly increase your visibility into your business and boost your decision-making ability.

## Don't forget about the quick wins

Not every digital investment needs to be at the leading edge. You can realize significant improvements—fast—with easy-to-implement technologies.

## Digital transformation isn't a linear process

In fact, taking a step-by-step approach ensures that companies are always one step behind. Digital transformation needs to take place on multiple fronts.

## Automation isn't just for the shop floor

Intelligent automation can have a powerful impact on your business, streamlining mundane processes and freeing up resources for more valuable tasks.

## Begin with the problem

With so many exciting technologies, it can be easy to get carried away. Focus on the problem you are trying to solve.



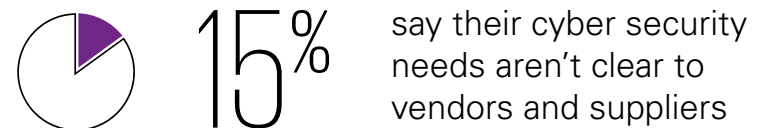
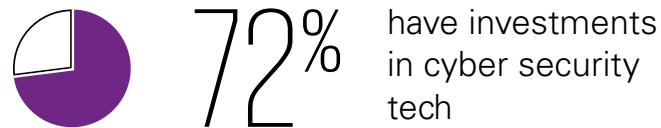
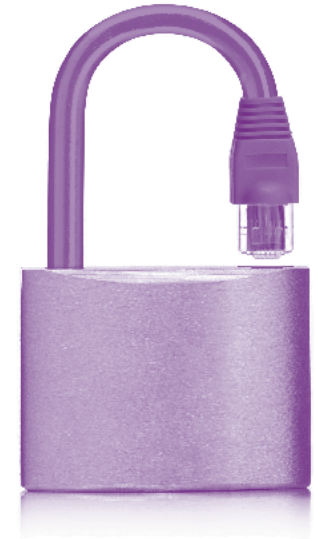
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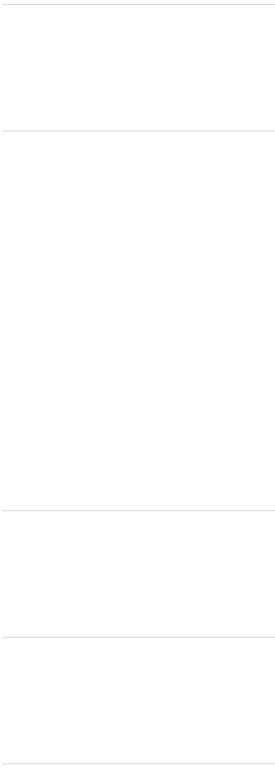
# Getting a handle on cybersecurity



## Where are you in with your digital transformation journey?

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Sixty percent of respondents say their company is concerned about the risk of cyber breaches and the risks associated with the management of private data. Their concerns are justified: companies in these and other sectors are under constant threat of cyber-attacks by state actors, organized crime, “hacktivists” and others. Some seek personal or company information they can use for financial gain or to manipulate markets; others may want to hijack a company’s IoT devices to provide botnet computing power; more malicious actors may want to interfere with a company’s operations.



The majority of companies we surveyed have invested in cyber security technology, and many plan to make further investments. Most are confident that these investments have made their “IT world” secure to a significant extent.

Unfortunately, cyber risk isn’t just about a company’s “IT world,” especially when it comes to industrials sectors. Operational technology (OT)—plants, remote platforms, IoT-connected devices and more—can also be vulnerable to cyber-attack, yet companies can sometimes overlook these areas.

It’s often easier to secure IT networks against cyber-intrusions, putting in place a series of measures and “ticking the box” on cyber security; meanwhile, the real risks lie on the OT side, where cyber security implementation can be more challenging and more costly. Best-in-class

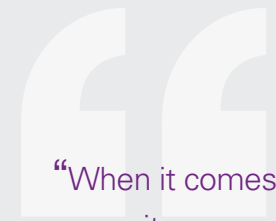
organizations now recognize that cyber security must encompass IT, OT, IoT, and beyond, and implement controls across all networks to manage their cyber risks appropriately.

That doesn’t mean companies must approach cyber security in identical ways. The cyber security risks of a nuclear plant, a manufacturer and a railway are very different, as are the measures needed to mitigate and manage those risks. Companies’ cyber security spending should always be underpinned by a robust assessment of the business risks associated with a cyber breach, whether operational, reputational, or financial. That risk assessment will help ensure companies protect critical and strategically important aspects of their business—without spending far too much on protections they don’t require.

### Managing third-party cyber security risk more challenging

Modern supply chains are also a significant source of cyber risk—one that’s outside of a company’s control. As companies in all sectors grow more reliant on a network of third, fourth and even fifth parties, it’s never been more important to ensure that all parties are living up to their cyber security

obligations. Unfortunately, that’s not easy. Few of the companies we surveyed said their “flow-down” cyber security requirements were very clear to suppliers.



“When it comes to cyber security, companies can’t forget about a critical vulnerability: people. Many of the major breaches in the news recently have resulted from a person falling prey to a phishing email or the like. Technology can’t stop people from making mistakes. That’s why companies need to ensure people across the enterprise understand cyber risks and their role in preventing cyber breaches.”

**Adil Palsetia**  
Partner, Cyber Security  
KPMG in Canada

# Just 33%

**of companies feel their “flow-down” requirements or specifications for cyber control are clear to their suppliers.**



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# Accelerate your digital agenda

## Continue to invest in a cyber security program that's right for your business

Every company, and every industry, is unique. Your cyber security strategy should be built around securing your critical data and assets.

## Don't just secure your "IT world"

Operational facilities and technologies in the field are areas of key cyber vulnerability. Make sure your cyber security strategy includes them, too.

## Manage your third-party cyber risk in clear, contractual terms

Make sure you have clear visibility into the cyber security practices of the third parties you do business with (as well as the ones they do business with), and conduct periodic assessments to ensure they adhere to your standards.

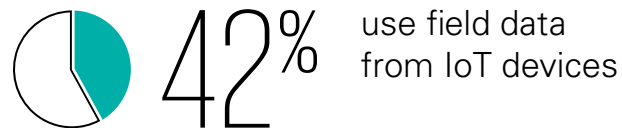
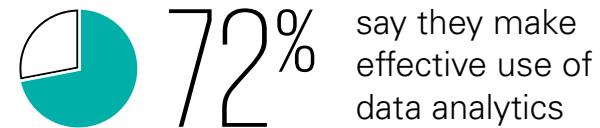
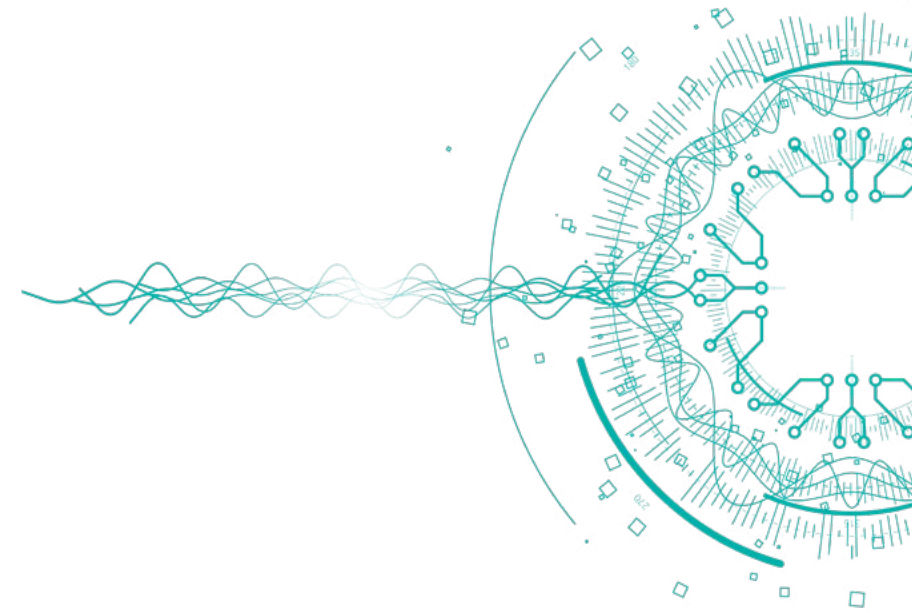


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# Big Data: Not a big deal?



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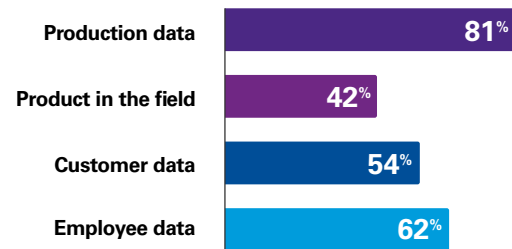
According to respondents, companies are increasingly adept at harnessing their data to manage their business more effectively and make better business decisions. Production, employee and customer data comprise the most common inputs into decision making and strategy development, and the majority of companies prioritize their data using a step-by-step approach.

The majority of respondents were positive about their companies' ability to leverage data analytics—yet, few respondents felt Big Data and related analytics have a significant impact on their business. Only one in five companies indicated that they've adopted Big Data in any way, though a similar number intend to do so.

45%

of respondents feel their company uses data analytics effectively to make business decisions.

### Types of data currently being collected

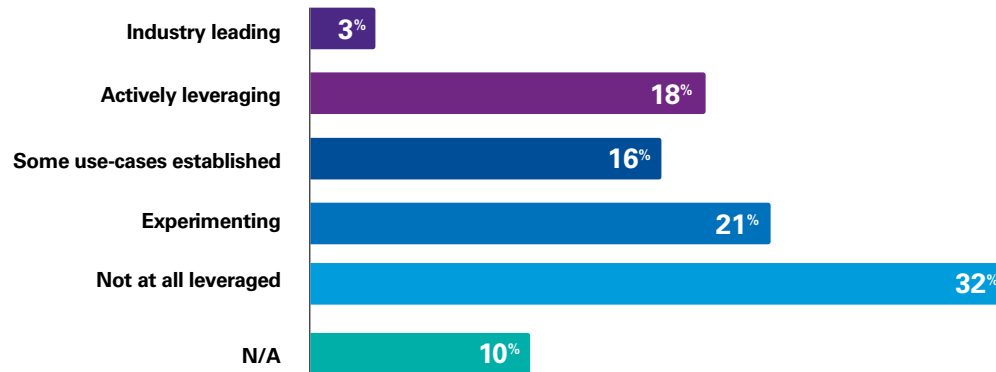


Source: KPMG in Canada research and analytics

53%

say corporate functions and internal departments share data effectively

### Current adoption of Big Data



Source: KPMG in Canada research and analytics



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# Accelerate your digital agenda

## Don't collect data for the sake of collecting data

Create a plan for data collection based on what's important to your business and the key metrics used to track related progress. Define the problems you're trying to solve with data then determine the types of data that needs to be collected.

## Mine your data

The majority of companies are already collecting troves of data. Mine it for insights.

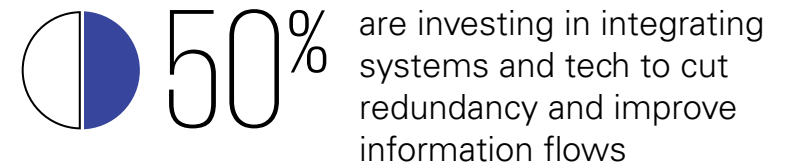
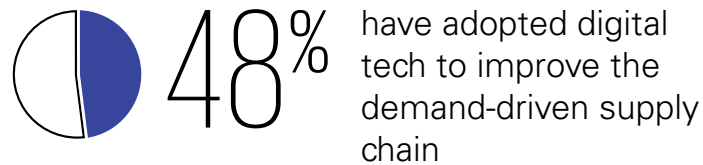
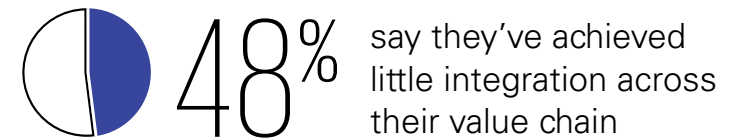
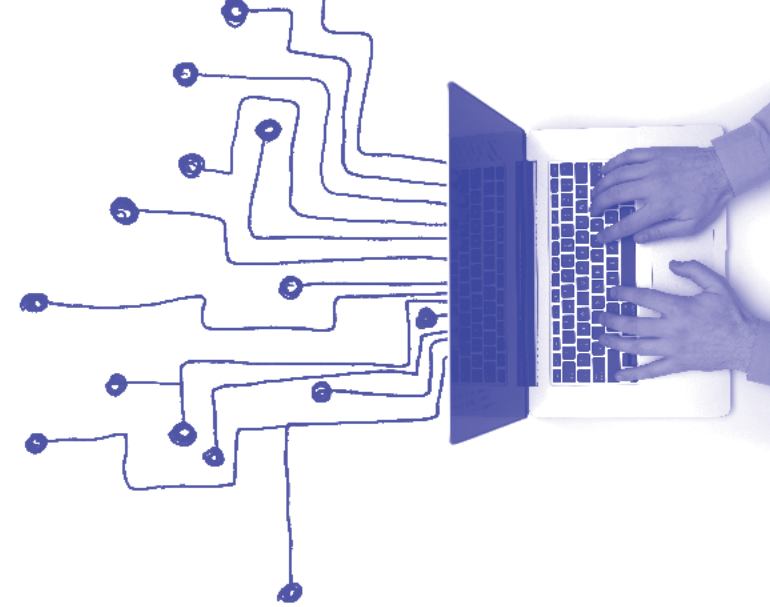


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# Data integration remains elusive



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One of the key benefits of investing in new technology and digital transformation is data integration. Analytics can help companies leverage Big Data more fully to uncover new insights. Robotics and M2M capabilities can speed up production. IoT can help facilitate predictive maintenance and reduce downtime and costs.



More than half of respondents say that data integration plays a significant role in helping their company achieve its corporate goals, and 50 percent say they've invested in integrating systems and technology to reduce redundancies and improve information flows.

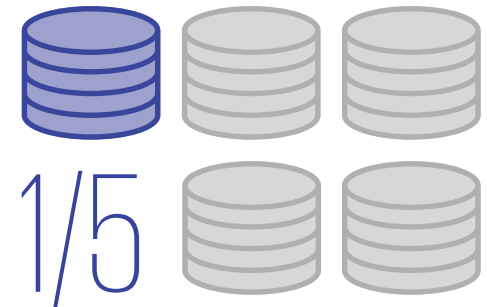
But maximizing the value of digital transformation depends on interconnecting these technologies' vast capabilities—and data—at a product and value-chain level. And that's where the companies we surveyed run into challenges: Roughly one

in three indicated that they've integrated cross-department and cross-function systems and processes effectively enough to achieve a truly integrated digital landscape.

### Data integration stumbles mean inefficient supply chains

Data integration is especially powerful in terms of managing today's complex supply chains. Unfortunately, just under half of respondents say their company has achieved little integration of note across their value chain. In many cases, this is because of the siloed nature of many supply chains in these industries: once

a product or component is handed off to the next link in the chain, organizations stop thinking about it. Whatever the reason, overcoming these data integration challenges is key to enabling companies to achieve their supply chain-oriented goals.



**companies have experienced significant issues with data siloing**



### Where are you in with your digital transformation journey?

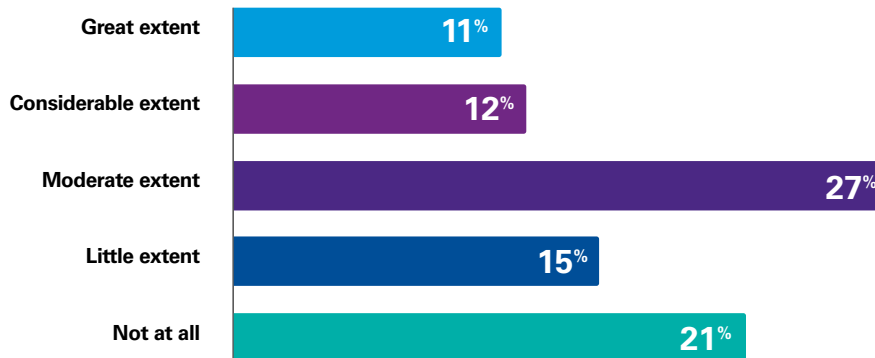
Take our survey and compare your digital journey to that of your peers.

## Opportunities to capitalize on real-time data

Fewer than one in four respondents say their organization uses real-time data to create transparency along their value chain. That means there's a tremendous untapped opportunity for industrials

to use real-time supply chain data to drive new insights that can in turn unlock new sources of value.

### The extent that companies are creating transparency through availability of real-time data along the value chain.



Source: KPMG in Canada research and analytics

12%

**connect functional processes through external cloud provider solutions to a considerable or great extent**

66%

**use electronic data interchange with customers for orders and order projections**

“Companies are re-inventing their supply chains to best meet customer expectations. Whether selling to end users or intermediaries along a value chain, this involves segmenting customers based upon usage types, expectations and other characteristics. The next step is about leveraging process and technology innovation to deploy next generation, purpose-built or tailored supply chains, which can deliver on the expectations of each customer/user segment and type of product or service offered. Strive to identify and remove friction in the processes, and then leverage data, analytics and technology to increase performance.”

**Jérôme Thirion**  
National Leader,  
Supply Chain Advisory Services  
Management Consulting  
KPMG in Canada



### Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.

# Accelerate your digital agenda

## Harness the power of cloud

Cloud technology is flexible, scalable, and relatively quick to implement, connecting your business to suppliers and customers all along the value chain. Using cloud can significantly improve data integration, supply chain effectiveness, and accelerate digital transformation.

## Make the most of your influence

Organizations can have a profound impact on what their supply chains look like and how they operate. Invest in digital technology and require more in terms of frictionless processes, automation, visibility and data integration from source to delivery.

## Leverage data transparency

Establishing more transparency and creating access to real-time information can deliver important benefits throughout the entire value chain—including your suppliers.

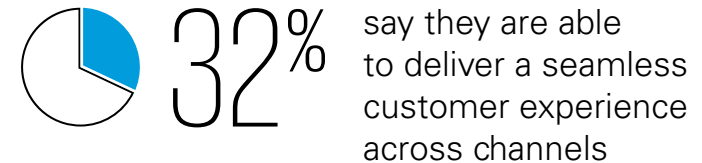
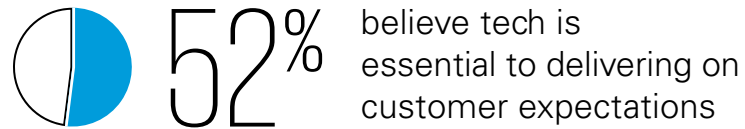


### Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.

Where are you in your digital transformation journey?  
Take our survey and compare your progress against your peers.

# Deliver better customer and user experiences



For industrials, it's imperative that systems, processes, products and experiences are designed with the end user in mind. Who is your end user?



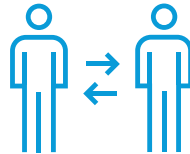
**Where are you in with your digital transformation journey?**

Take our survey and compare your digital journey to that of your peers.

**B2B customers**



**Suppliers**



**Employees/Operators**



**End customers**



You might not necessarily expect “delivering a great customer experience” to be a common goal for Canada’s industrials sectors—but it’s definitely on leaders’ minds at the companies we surveyed.

In today’s environment, any company—whether B2B or B2C—is dealing with people who have grown accustomed to being able to easily do business using interactive technologies. Industrials are now increasingly expected to deliver a seamless experience when dealing with end users, employees, suppliers or other stakeholders. This is particularly true for manufacturers, who must constantly manage the demands of end-users’

requirements and complex, just-in-time supply chain partners. Faced with such intricacies, respondents believe investments in new technologies are pivotal to delivering a great customer/user experience.

We asked respondents to what extent they were investing into customer/user focused technology in order to realize benefits across their business.

“We are moving beyond digital era technologies to exponentials. Intelligent automation, blockchain, AI, machine learning now have the power to unlock considerable value for industrials. This revolution is not about websites and mobile.”

**Peter Hughes**  
Customer and Digital Services Leader  
KPMG in Canada



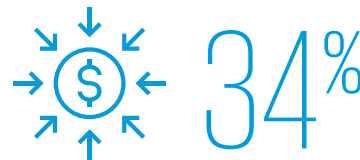
are increasing revenues through additional services



are increasing revenues through completely new services



are successfully improving customer experience



are improving the employee experience



### Where are you in with your digital transformation journey?

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# Accelerate your digital agenda

Adopting a customer-centric mindset is laudable, but it remains to be seen whether companies in these sectors are ready for what delivering a great customer experience can entail.

## Your users are your customers, and they expect exceptional experiences

No matter the industry you work in, you still work with people—whether consumers, suppliers, investors, or stakeholders—and they're all primed to expect a digitally enabled, seamless experience with your company.

## Invest in deeper customer segmentation

Developing a better understanding of your users' behaviours, needs and wants can help you better meet expectations—and help you stand out from the crowd.

## Embrace the need for innovation

Customer/user insights can point you towards new opportunities.

## Deploy design thinking

Adopting a customer-focused, human-centred approach to thinking about problems and challenges can help you deliver products and services that meet customers' needs more effectively.

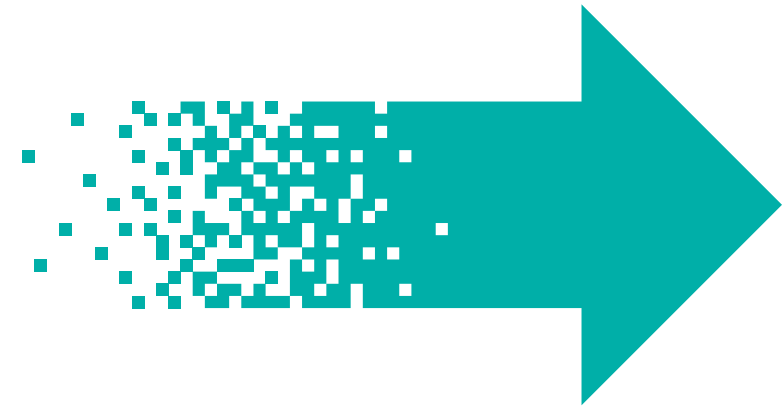


### Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.

Where are you in your digital transformation journey?  
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# The way forward: Key takeaways



CEOs and their leadership teams in industrials sectors are increasingly ready to own the digital transformation journey. They're ready to take bold action to confront the technology-driven disruption that will revolutionize their businesses.

To accomplish this, these leaders must be agents of change and pursue their aims strategically and intelligently. This may require tapping into new reserves of business courage, in order to move past small, narrow efforts and embrace truly significant moves. It will require leaders to focus on day-to-day business—and the future they want and need to create. This is no time for a lack of vision, or a lack of action.

Yes, digital transformation is a large and complex undertaking. However it is now critical for the future viability of most businesses. At KPMG, we understand this, and that's why we strive to help organizations as their "digital guide."

We work with companies in all industries to identify their digital transformation future state—and build a roadmap to get there. We help companies map requirements across the value chain, from suppliers to end users. We work together to design systems, suggest technologies, and create integrated processes that enable smooth delivery and a superior customer experience.



## Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.

# Accelerate your digital agenda

## It's not a digital strategy or technology strategy, it's a business strategy

Digital transformation and its related technology investments don't exist separately from the rest of the business—they are an integral part and expression of your corporate strategy. Your technology investments must be driven by a clear, top-down corporate strategy that sets out where you play, where you don't, and where you want to go. A sound corporate strategy will enable you to prioritize your investments to maximize their impact.

## Balance short-term and long-term

Digital transformation doesn't happen overnight—though some benefits can be reaped more quickly than others. Allocate scarce investment dollars based on your strategy, your competitive pressures, and the potential ROI. Where are you making the best margin today? What low- or no-return activities can you exit? What will make you money tomorrow? Use those answers to guide your digital investments.

## Invest - you've got ground to make up

Companies in the industrials sectors have foregone important technology investments for decades. The result? They're suffering from innovation and digital deficits. It's time to double down on digital investments to make up the ground that's been lost.

## Open your mind and your business

Look across your industry—and outside it—to understand your competitive landscape and see what leading-practice digital transformation can look like. Leverage external advisors, who can bring new ideas and perspectives to bear on your business. Engage with customer and partners all along the value chain to uncover new innovative possibilities. Be willing to move fast, test new ideas, refine them and test again before bringing new solutions into full production.



### Where are you in with your digital transformation journey?

Take our survey and compare your digital journey to that of your peers.





Looking to speak to someone about your digital journey?  
We can help. **Contact a KPMG advisor today.**

**[kpmg.ca/revolutionizingops](https://kpmg.ca/revolutionizingops)**

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In order to plot your digital transformation journey, you need to know where you stand. Take our survey now. Benchmark your progress against your peers. And start mapping your digital future.

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