

## Press release

Zurich, 25 August 2019

### Swiss boards pressing ahead with digitalisation – high costs and ethical issues though pose challenges

**Digitalisation has clearly become a priority topic for the boards of directors in Swiss companies: More than four out of five board members see opportunities to create new business and increase sales. However, substantially more than half of them state that they are spending a lot of money on digital transformation, which is reducing profitability. The new edition of [swissVR Monitor](#) – a bi-yearly survey gauging the attitudes of nearly 400 board members in Switzerland towards current matters of relevance to boards – clearly shows that the digitalisation of organisations is being driven from the top. Nonetheless, one third of the board members surveyed feel that progress was too slow, and four out of five of them feel they lack the relevant know-how. Board members also believe that digitalisation elicits an elevated security risk such as cyber-attacks. Whether boards pay enough attention to the ethical questions of digitalisation is debatable.**

Digitalisation and automation are on top of Swiss company boards' agendas this year – as shown by the latest edition of swissVR Monitor, a bi-annual survey of board members in Switzerland conducted by swissVR, Deloitte and the Lucerne University of Applied Sciences and Arts. The current survey of around 400 board members clearly demonstrates that when it comes to digitalisation, companies prefer to take a pragmatic approach (91%). The majority (60%) of respondents are convinced that they are already more advanced than their competitors. The latter statement applies much more to large enterprises (70%) than to SMEs (54%). However, those surveyed are also somewhat uncertain: Less than one out of five of them are fully convinced that the board (19%) or senior management (18%) of their company have sufficient know-how and expertise to successfully drive digital transformation.

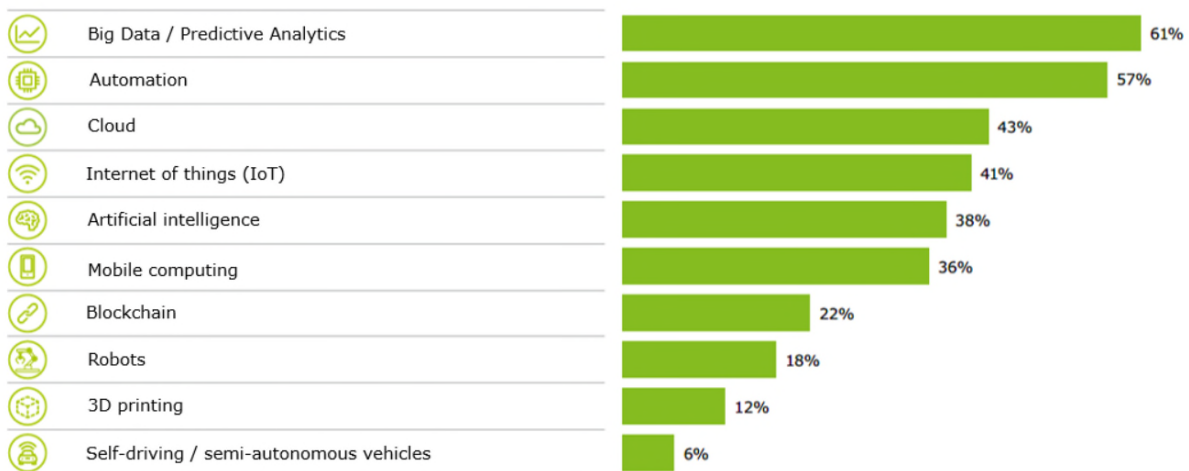
The vast majority of board members completely agree (36%) or tend to agree (46%) that digitalisation would create opportunities for new business and increased turnover. Large companies have a more positive attitude (90%) than SMEs (78%). However, digitalisation also entails risks, requires high levels of investment and gives rise to additional costs that put pressure on margins: 57% of respondents agree (completely or tendency) with this statement. 69% also believe that the exchange of digital data at board level tends to increase the risk of cyber-attacks. Only 46% of the board members surveyed are concerned with potential digitalisation risks of ethical nature, such as job losses, discrimination, manipulation or data protection.

#### Change management as the key to success

"These results are largely in line with our experience in advising numerous organisations in their transformation projects. Boards and senior management need to show clear leadership and accountability throughout the transformation as well as have a clear change management strategy in place in order to keep costs at a reasonable level and to prevent such projects from cutting profitability. Also, board members must not shy away from possible ethical challenges – it is the right forum for asking such questions and providing clarity," says Reto Savoia, CEO Deloitte Switzerland.

When it comes to what board members consider the most important technologies for the future, board members name big data and automation the most. Also of high significance: cloud, the internet of things (IoT), artificial intelligence (AI) and mobile computing (see image for details).

## The most important future digital technologies for board members



### The importance of blockchain for financial service providers

Technologies are classified very differently depending on the industry in question: blockchain technology continues to be of particular importance for the financial services sector (60%), while IoT and robots are on top of the list in the manufacturing sector (61% and 35% respectively).

“Two digital technologies are front and centre at board level: the collection and evaluation of large amounts of data (big data) and the associated forecasting of trends (predictive analytics), and the automation of functional processes and work processes in order to increase efficiency along the entire value chain. Other technologies such as 3D printing or robotics are only of interest to specific industries. The results provide a current snapshot, as levels of maturity and possible applications of digital technologies evolve rapidly. On that note, blockchain technology seems to not yet have been able to satisfy the hopes placed in it – but broader deployment in a few years still remains likely,” explains Cornelia Ritz Bossicard, President of swissVR.

### Digitalisation is a management task

According to swissVR Monitor, digitalisation is clearly being driven from the top: The main driving forces are the board acting as a single body (48%), the CEO (46%) and executive management (43%). In four out of five companies (79%), digitalisation is also an integral part of corporate strategy, though less than two in five companies (17%) have a separate digitalisation strategy. However, not all companies are responding quickly enough or are spending enough time on the issue: one in three respondents state that their company is too slow in responding to the challenges of digitalisation (31%) or spend too little time analysing the issue (33%).

Dr Christoph Lengwiler, lecturer at the Institute of Financial Services Zug (IFZ) of the Lucerne University of Applied Sciences and Arts and Vice-President of swissVR explains: “It is gratifying to see that board members are considering digital transformation intensely and with the necessary pragmatism. Successful digital transformation requires the full support of the board and senior management; otherwise, failure is inevitable. At the same time, however, initiatives from lower levels of the company should also be allowed sufficient space. What’s more, external stimuli such as workshops or further training, as well as new members with knowledge of digitalisation can also help a board to advance digitalisation in their organisation.”

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#### About the report

The swissVR Monitor is a survey conducted jointly by swissVR, Deloitte and the Lucerne University of Applied Sciences and Arts. Every six months, this survey gauges the attitudes of members of Swiss company boards of directors towards the outlook for the country's economy and their sector. It also gauges their attitudes towards current matters of relevance to boards. Each issue of swissVR Monitor also explores a focus topic in greater detail. The surveyed board members represent firms from SMEs to listed companies across a range of sectors. With 396 members surveyed between 19 June and 31 July 2019 in its latest edition, it is an accurate reflection of the attitudes of boards in Swiss companies.

#### swissVR

swissVR is an association for members of board of directors from Swiss companies. swissVR is committed to the professionalism, quality and the perception of the interests of boards. The association's 800 members represent board mandates in various sectors and regions as well as in SMEs and listed companies. This broad coverage of various sectors, regions and company sizes allows for a varied know-how sharing. swissVR also offers a diverse range of events on a variety of topics currently facing boards, as well as training courses tailored for specific needs in cooperation with educational partners.

#### Lucerne University of Applied Sciences and Arts – the university of applied sciences of Central Switzerland

The Lucerne University of Applied Sciences and Arts is the university of applied sciences of the six Central Swiss cantons and comprises the Lucerne Schools of Engineering and Architecture, Business, Information Technology, Social Work, Art and Design, and Music. 6,500 students are working towards bachelor's or master's degrees here, while a further 4,400 are in continuing education. The Lucerne University of Applied Sciences and Arts is the largest educational institution in Central Switzerland and employs 1,700 staff. [www.hslu.ch](http://www.hslu.ch)

#### Deloitte Switzerland

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