OVERVIEW - IRELAND

Insights

• All organizations in Ireland find workforce/skills to be a challenging area to manage in their organization’s transition to digital
  – User experience design is a critical skill lacking in the workforce
• Nearly half the organizations do not engage executives other than HR staff in recruitment of digital talent

Top driver
Customer/citizen demands

Top 3 barriers
1. Too many competing priorities
2. Lack of an overall strategy
3. Insufficient funding

Maturity

Digital Maturity Rating

<table>
<thead>
<tr>
<th></th>
<th>Early</th>
<th>Developing</th>
<th>Maturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global (n=1202)</td>
<td>26%</td>
<td>60%</td>
<td>13%</td>
</tr>
<tr>
<td>Ireland (n=25)</td>
<td>20%</td>
<td>76%</td>
<td>4%</td>
</tr>
</tbody>
</table>

“Government needs to embrace the potential improvements offered by emerging technologies, like smartphones and tablet devices, that are transforming the ways in which we access information and services. We live in an increasingly connected age, and Government needs to look at how new technologies can improve how we conduct our business and serve the public.”

— Brendan Howlin TD, Minister for Public Expenditure and Reform
READINESS AND RESPONSE

<table>
<thead>
<tr>
<th>Have a clear and coherent digital strategy?</th>
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</thead>
<tbody>
<tr>
<td>Global</td>
</tr>
<tr>
<td>46%</td>
</tr>
<tr>
<td>Ireland</td>
</tr>
<tr>
<td>36%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Objectives of digital strategy</th>
<th>% agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improve customer/citizen experience and engagement, and transparency</td>
<td>91%</td>
</tr>
<tr>
<td>2. Increase efficiency</td>
<td>87%</td>
</tr>
<tr>
<td>3. Create or access valuable information or insights to improve decision making</td>
<td>78%</td>
</tr>
<tr>
<td>4. Fundamentally transform our organization processes and/or organization model</td>
<td>61%</td>
</tr>
<tr>
<td>5. Create or access valuable information or insights for innovation</td>
<td>55%</td>
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</table>

67 percent say that digital trends are improving their organization’s ability to respond to threats and opportunities

56 percent say their digital capabilities are behind the private sector

Digital opportunity vs investment

- Global
  - 82% view digital technologies as an opportunity
  - 52% increased investment in digital initiatives in the last fiscal

- Canada
  - 89% view digital technologies as an opportunity
  - 62% increased investment in digital initiatives in the last fiscal

36% confident globally
37% satisfied globally
LEADERSHIP, WORKFORCE AND SKILLS

100% find workforce and skills to be a challenging area to manage in their organization’s transition to digital

65% say that leadership understands digital trends and technologies

48% say that their leaders have sufficient skills to lead the organization’s digital strategy

Does a single person or group have the responsibility to oversee/manage your organization’s digital strategy?

Ireland: Yes, 44%
Global: Yes, 51%

Digital skills vs investment in workforce

<table>
<thead>
<tr>
<th>Skill</th>
<th>Ireland</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>User experience design</td>
<td>39%</td>
<td>32%</td>
</tr>
<tr>
<td>Entrepreneurial spirit</td>
<td>53%</td>
<td>46%</td>
</tr>
<tr>
<td>Technological savviness</td>
<td>48%</td>
<td>42%</td>
</tr>
<tr>
<td>Agility</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Business acumen</td>
<td>32%</td>
<td>28%</td>
</tr>
<tr>
<td>Collaborative processes</td>
<td>40%</td>
<td>39%</td>
</tr>
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</table>

Employee have sufficient skills to execute organization’s digital strategy
Organizaion provides opportunities and resources to obtain the right skills

Does a single person or group have the responsibility to oversee/manage your organization’s digital strategy?

Yes, 68%
84% say that digital technologies and capabilities enable employees at their organization to work better with customers/citizens.

91% say improving customer/citizen experience and transparency is an objective of their organization’s digital strategy.

How are digital trends impacting your organization’s customer/citizen service quality?

- Ireland: Improving, 92%
- Global: Improving, 78%

What is the biggest driver of digital transformation?

- Customer/citizen demands: 50% (Global), 12% (Ireland)
- Cost and budget pressures: 13% (Global), 8% (Ireland)
- Federal/central government directives: 29% (Global)
- Others: 8% (Global)

What is the level of customer/citizen involvement in co-creating digital services for your organization?

- Ireland: 4% (Don’t know), 11% (Low), 17% (Neither high nor low), 13% (High)
- Global: 4% (Don’t know), 14% (Low), 23% (Neither high nor low), 50% (High)
75% find culture to be a challenging area to manage in their organization’s transition to digital.

80% say that digital technologies and capabilities enable employees at their organization to work better with other employees.

Digital trends are changing these dynamics within my organization:
- Collaborative culture:
  - Don’t know: 4%
  - Neither improving nor degrading: 17%
  - Improving: 79%
- Innovative culture:
  - Don’t know: 8%
  - Neither improving nor degrading: 25%
  - Improving: 67%

Is the transition to digital altering your organization’s attitude towards risk?
- Global:
  - Don’t know: 26%
  - Neither improving nor degrading: 46%
  - Improving: 28%
- Ireland:
  - Don’t know: 28%
  - Neither improving nor degrading: 44%
  - Improving: 28%

67% globally say digital trends improve collaborative culture.
65% globally say digital trends improve innovative culture.
**PROCUREMENT**

87% find procurement to be a challenging area to manage in their organization’s transition to digital.

70% say that government procurement needs to change significantly or very significantly to accommodate digital transformation.

43% say that they are satisfied with the community of vendors that currently serves the digital government marketplace.

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**Top 3 obstacles to better procurement practices in the digital age**

<table>
<thead>
<tr>
<th>Ireland</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of flexibility</td>
<td>1. Rules/regulations</td>
</tr>
<tr>
<td>2. Rules/regulations</td>
<td>2. Lack of flexibility</td>
</tr>
<tr>
<td>3. Procurement skill sets</td>
<td>3. Procurement skill sets</td>
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**In what ways does procurement need to change to enable digital transformation?**

- **Agile development process**: 45% (Ireland), 48% (Global)
- **Less restrictive terms and conditions**: 31% (Ireland), 32% (Global)
- **More open to small and medium-sized companies**: 19% (Ireland), 21% (Global)
- **Less control from the center**: 12% (Ireland), 12% (Global)
- **Modular development**: 10% (Ireland), 20% (Global)
- **Shorter contract periods**: 10% (Ireland), 48% (Global)

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Don't know: 4% In-house: 4% Mixed (in-house and contracted model): 88%