OVERVIEW – NEW ZEALAND

Top driver
Citizen demands

Top 3 barriers
1. Too many competing priorities
2. Lack of organizational agility
3. Security concerns

Insights
- 64 percent organizations report an increase in investment in digital initiatives over the last fiscal year
- A little over half the organizations find the transition to digital is positively impacting their attitude toward risk.
- Nearly half of the respondents say that their organization provides them with resources or opportunities to acquire the right digital skills

Maturity

Digital Maturity Rating

Global (n=1202)
26% Early
60% Developing
13% Maturing

New Zealand (n=58)
12% Early
66% Developing
22% Maturing

“Customers expect service delivery from the government that is increasingly digital, responsive, and personalized.”

— Colin MacDonald, CIO New Zealand
## Readiness and Response

### Have a clear and coherent digital strategy?

<table>
<thead>
<tr>
<th></th>
<th>% agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>46%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>55%</td>
</tr>
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</table>

### Objectives of digital strategy

<table>
<thead>
<tr>
<th>Objective</th>
<th>% agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increase efficiency</td>
<td>91%</td>
</tr>
<tr>
<td>2. Improve customer/citizen experience and engagement, and transparency</td>
<td>84%</td>
</tr>
<tr>
<td>3. Create or access valuable information or insights to improve decision making</td>
<td>79%</td>
</tr>
<tr>
<td>4. Fundamentally transform our organization and/or organization model</td>
<td>71%</td>
</tr>
<tr>
<td>5. Create or access valuable information or insights for innovation</td>
<td>69%</td>
</tr>
</tbody>
</table>

### Digital opportunity vs investment

- **Global**
  - View digital technologies as an opportunity: 82%
  - Increased investment in digital initiatives in the last fiscal: 44%

- **New Zealand**
  - View digital technologies as an opportunity: 88%
  - Increased investment in digital initiatives in the last fiscal: 64%

### Confidence and Satisfaction

- **Confident about organization’s readiness to respond to digital trends**
  - 37%
  - 22%
  - 41%

- **Satisfied with organization’s current reaction to digital trends**
  - 38%
  - 12%
  - 50%

### Statements

- **69 percent** say that digital trends are improving their organization’s ability to respond to threats and opportunities.
- **67 percent** say their digital capabilities are behind the private sector.

### Global

- **36%** confident globally
- **37%** satisfied globally
93% find workforce and skills to be a challenging area to manage in their organization’s transition to digital

57% say that leadership understands digital trends and technologies

42% 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?

New Zealand

Yes, 47%

Global

Yes, 51%

Digital skills vs investment in workforce

- Employees have sufficient skills to execute organization’s digital strategy
- Organization provides opportunities and resources to obtain the right skills

Workforce-skills lacking

- Agility
- Entrepreneurial spirit
- Collaborative processes
- User experience design
- Technological savviness
- Business acumen
91% say that digital technologies and capabilities enable employees at their organization to work better with customers/citizens.

84% 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?

New Zealand: Improving, 87%
Global: Improving, 78%

What is the biggest driver of digital transformation?

Customer/citizen demands: 11% (Global), 11% (New Zealand)
Cost and budget pressures: 14% (Global), 13% (New Zealand)
Federal/Central government directives: 38% (Global), 24% (New Zealand)
Others: 37% (Global), 52% (New Zealand)

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

New Zealand:
- Don’t know: 5%
- Low: 45%
- Neither high nor low: 29%
- High: 20%

Global:
- Don’t know: 11%
- Low: 53%
- Neither high nor low: 23%
- High: 13%
**CULTURE - INNOVATION, COLLABORATION, OPEN SOURCE, AGILE**

90% find culture to be a challenging area to manage in their organization’s transition to digital.

88% 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**
  - Improving: 73%
  - Neither improving nor degrading: 24%
  - Degrading: 4%

- **Innovative culture**
  - Improving: 73%
  - Neither improving nor degrading: 25%
  - Degrading: 2%

67% globally say digital trends improve collaborative culture.

65% globally say digital trends improve innovative culture.

Is the transition to digital altering your organization’s attitude towards risk?

- **Global**
  - Improving: 51%
  - Neither improving nor degrading: 28%
  - Degrading: 26%

- **New Zealand**
  - Improving: 35%
  - Neither improving nor degrading: 14%
  - Degrading: 67%

**To what extent does your organization use open source technology to deliver digitally transformed services?**

- **New Zealand**
  - Great extent: 3%
  - Moderate extent: 22%
  - Small extent: 33%

- **Global**
  - Great extent: 5%
  - Moderate extent: 18%
  - Small extent: 35%
73% find procurement to be a challenging area to manage in their organization’s transition to digital.

63% say that government procurement needs to change significantly or very significantly to accommodate digital transformation.

39% say that they are satisfied with the community of vendors that currently serves the digital government marketplace.

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

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>New Zealand</th>
<th>Global</th>
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</thead>
<tbody>
<tr>
<td>1. Rules/regulations</td>
<td>1. Rules/regulations</td>
<td></td>
</tr>
<tr>
<td>2. Lack of flexibility</td>
<td>2. Lack of flexibility</td>
<td></td>
</tr>
<tr>
<td>3. Vendor behavior</td>
<td>3. Procurement skill sets</td>
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</tbody>
</table>

**In what ways does procurement need to change to enable digital transformation?**

- Agile development process
- More open to small and medium-sized companies
- Less control from the center
- Less restrictive terms and conditions
- Modular development
- Shorter contract periods

- Development of digital services
  - Don’t know 0%
  - In-house 9%
  - Outsource 4%
  - Mixed (in-house and contracted model) 87%

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