

Caribbean Digital Readiness Survey 2021

# Hello tomorrow. From transforming to transcending



From boosting workforce productivity to improving customer experience, **accelerating digital transformation** is now competitively critical for businesses here in the Caribbean region.

But PwC's first Caribbean region digital readiness survey reveals a wide gap between organisations out in front and those struggling to make headway.

What marks out the digital transcenders - not just transformers? How can you win in digital and become one of these pace-setters? Our survey benchmarks where organisations in the Caribbean are on their digital journey across six key themes.

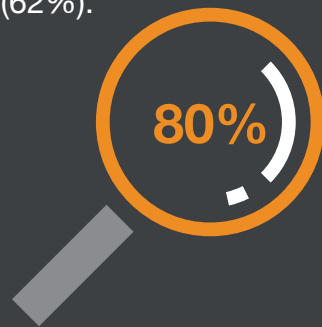
# What marks out the transcenders? How can you become one of these pace-setters?



# Snapshot

## Caribbean businesses set bold digital ambitions

More than 80% of businesses in our survey are focusing their digital strategy on modernising their brand with new capabilities, ahead of doing what they've always done faster and more efficiently (62%).



Modernising with new capabilities

## Further upskilling is critical

Digital transformation is as much about people as systems – you can't create a digital organisation if your workforce is still stuck in analogue. **But 46% believe their organisation is behind in training workers with skills for the digital era.**



## Digitisation is accelerating, but ground still to be made up

Most respondents believe that they're meeting or exceeding targets on integrating new technologies into business processes, and products and services – 42% on target and 28% ahead. But that leaves more than a quarter who acknowledge that they are behind target. **Moreover, only 15% believe that their digital fitness is on a par with or ahead of the leaders in their industry.**

## Pulled in too many directions

There are now an infinite variety of digital tools and technologies on offer. The challenges of making and implementing the right choice are exacerbated by the need to get on with business as usual.

**Respondents see competing priorities as the biggest barrier to creating effective customer and employee experience.**



## Productivity boosted

Almost three-quarters of respondents believe that use of digital technologies and behaviours has boosted workforce productivity. Over half believe it has increased employee satisfaction.



## Switch to remote working becomes permanent

The shift to remote working caused by COVID-19 is here to stay. **Over half of respondents expect at least a third of their employees to be working remotely more than one day a week a year from now.** Alongside the right technology, this shift demands new ways of engaging with and managing your workforce.



**Frazer Lindsay**  
CEO, PwC in the Caribbean

**Welcome to Hello, tomorrow. From transforming to transcending, our first Caribbean-focused digital readiness survey.**

The big questions we explore include how far businesses in the Caribbean have come in their digital journey, how can they accelerate progress, and what can they learn from the front-runners – the ‘transcenders’.

The findings make fascinating reading. They reveal the high level of ambition for digital transformation in our region. They also highlight barriers to change, and our insights on how they can be overcome.

As both the survey results and our experience here at PwC underline, moving forward is as much about people as systems. That’s why a significant proportion of our own investment in digital centres on upskilling. Our commitment is demonstrated by the fact that our region is a leader in our global network on digital training and technologies.



**Zia Paton**  
Digital Leader

### Caribbean Digital IQ



Building on PwC’s Global Digital IQ framework, this is the first regional study to gauge progress on developing digital capabilities. Digital IQ measures how well an organisation understands and captures the value of digital investments in terms of tools, business processes, and culture (0=weak and 100=strong). **The average IQ for the companies in our survey is 63.** But there is a wide gulf in scores (22 to 91). And when asked to identify and compare themselves to the leaders in their industries, only 15% of respondents rate their digital readiness as being on a par with, or ahead of, those leaders.

Clearly digital transformation is a journey and most respondents (66%) only began in the past three years. But 2020’s shift to remote working and step up in digital customer engagement have ratcheted up the pressure to accelerate progress.

When asked about the risks of failing to transform into a digital organisation, more than three-quarters of respondents believe that their revenue growth and/or profitability would suffer (78%). More than half are concerned that customer satisfaction would decline (58%) or that they wouldn’t be able to compete with others in the industry (52%).

However, if your business is able to get ahead of the pack, the game-changing potential includes more informed data-driven decisions, a more compelling employee and customer experience, and more tailored and targeted products and services.

Foundations for success

# What then does our survey reveal about the **key foundations for success:**

- 1** Clear definition of digital that recognises that success is as much about an innovative mindset and workforce capabilities as systems alone
- 2** Digitally savvy leaders who lead from the front rather than delegating and are prepared to take risks in support of transformation
- 3** Progress on developing and applying digital skills – not just among a few specialists or creatives, but the workforce as a whole
- 4** Timely, relevant, and consistent data to drive effective decision making, innovation and differentiation

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What it takes to make digital transformation succeed:

“A complete shift in the mindset...and a genuine commitment to digital transformation.”

Survey respondent



# Solutions to your challenges

## No time for digital?

Digital transformation can seem like a second order priority, even a distraction, when your business and its workforce are just trying to keep afloat. Staff may also be resistant to change, seeing digital transformation as a threat to their jobs.

## Solution

That's why it's so critical to make digital relevant to your workforce. Demonstrate the benefits in areas such as new business won and improved customer satisfaction. Give them the time and license to apply new skills in their day-to-day work. This is an opportunity to work smarter not harder and to create new and fulfilling tech-enabled employment. There are also opportunities to create the transferable skills needed in an unpredictable and fast-changing world, such as creativity, leadership and problem solving.

We know from the shift to remote working that employees will get behind change when they see a clear rationale.



## The data isn't there

**You've invested in new systems, but can't get the data to run on them or it's in the wrong format.**

## Solution

The data is often there. But you may need to reach out to business teams to unearth it, underlining the importance of organisation-wide buy-in and involvement. There is also a lot of external and unstructured data that can be mined from sources such as social media or bought in from third parties.



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“Employees have to buy into [digital transformation] as change is sometimes difficult to implement and sustain.”

**Survey respondent**



## We're overwhelmed

**Transformation is inevitably daunting. Where do you begin? What do you prioritise?**

## Solution

It's important to make change manageable. That means setting an overall vision, while rolling out investment, implementation, and workforce training in iterative steps. It's also important to fail fast, and learn fast as you look to build the agility and resilience needed to deal with constant change.

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“We need to be aware of where it makes sense to go digital and where it doesn't. At this stage and for the foreseeable future, much of our core business cannot be cost effectively automated.”

**Survey respondent**



# Transcenders: Taking transformation to the next level

Here at PwC, we've studied digitally transforming companies for many years through our [Global Digital IQ research](#). What emerges is a winning 5% who are leading the way in every area we assess – from growth and profits to innovation, customer experience and more. We call them transcenders. **They're marked out by four key attributes:**

- 1 Mandate change**  
Mandate a leadership strategy focused on collaboration and cross-functional work. Digital should be your corporate strategy, not just a sideshow.
- 2 Invest like you mean it**  
Understand the technology, processes, operating models, and ways of working that you need to succeed in the future. Invest accordingly.
- 3 Empower your people**  
Tap into the creative brain power of all your employees. Upskill them and upgrade your training. Foster a mindset that revolves around employee experience.
- 4 Build up resilience**  
The new normal is constant change. Build a resilient culture and learn to regroup, readjust, and tackle change head-on.

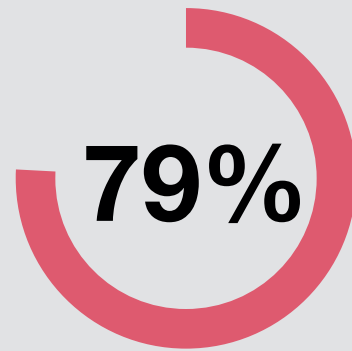


“Forward thinking management and senior leadership who are all bought-in and will fully support the transformation initiatives and help to implement real change.”

Survey respondent

# About this survey

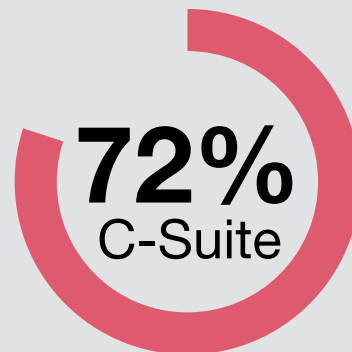
In October/November 2020, we surveyed over **600 senior executives** from organisations in seven countries in the Caribbean.



**79%**  
have USD\$2m+  
in revenue.

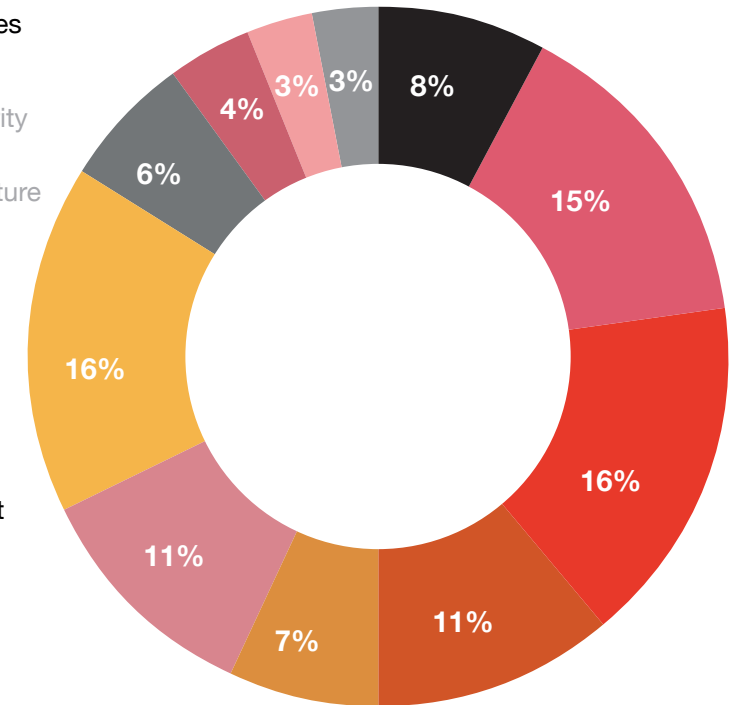


**16%**  
have USD\$100m+  
in revenue



The questions sought to gauge organisations' digital readiness, enablers and barriers to change, and priorities for the future. Our thanks to our 92 respondents for kindly sharing their time and insights.

- Government & public services
- Other
  - Aerospace, defence & security
  - Technology
  - Capital projects & infrastructure
  - Media
  - Telecommunications
  - Hospitality & leisure
  - Healthcare
- Insurance
- Energy, utilities & resources
- Asset & wealth management
- Consumer markets
- Banking & capital markets
- Engineering & construction
- Automotive
- Industrial manufacturing
- Transportation & logistics



# Key findings

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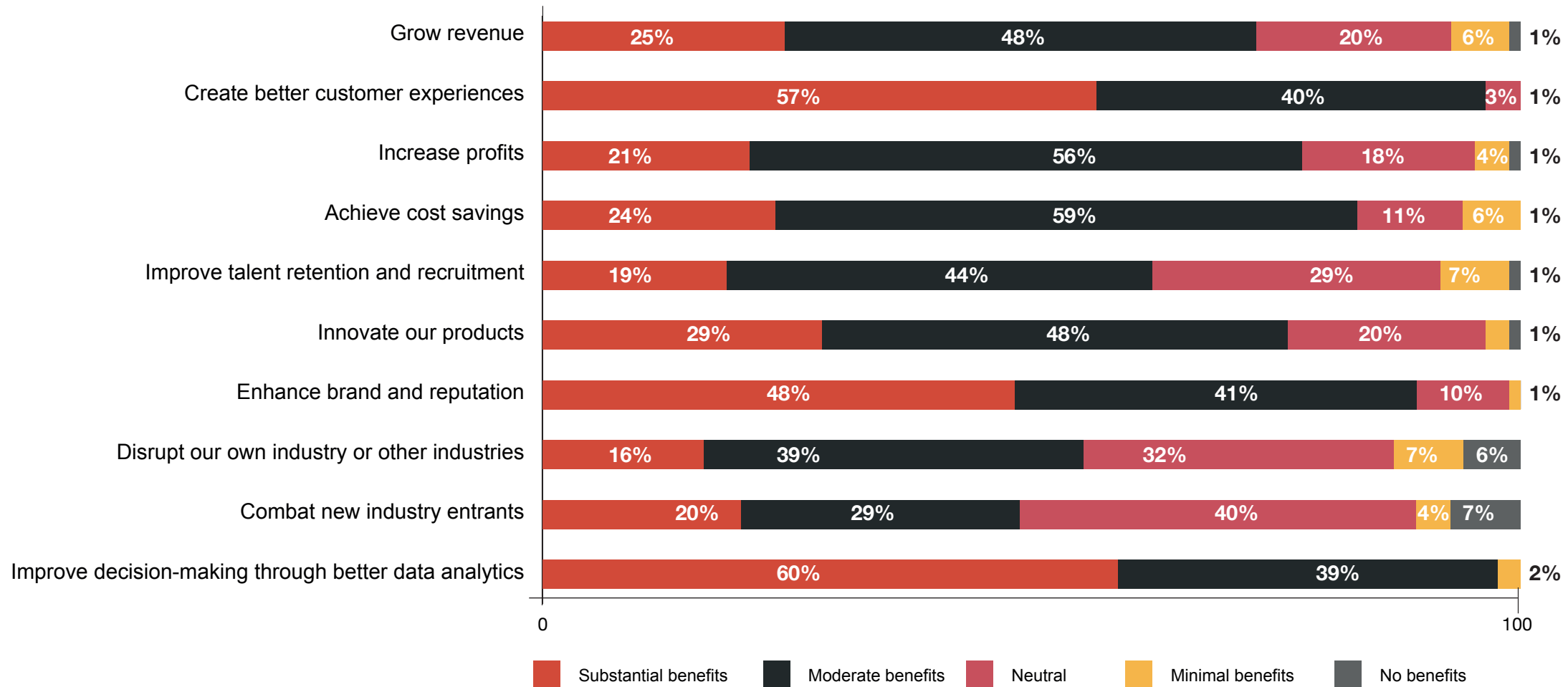
“Of paramount importance will be digital-savvy leadership, the empowerment of staff to innovate and work in new and different ways and the ability to recruit and retain the right talent for digital transformation.”

Survey respondent

## Expected benefits

Improved customer experience is the number one goal for digital transformation. Also high on the list of expected benefits are sharper decision making and enhanced brand and reputation.

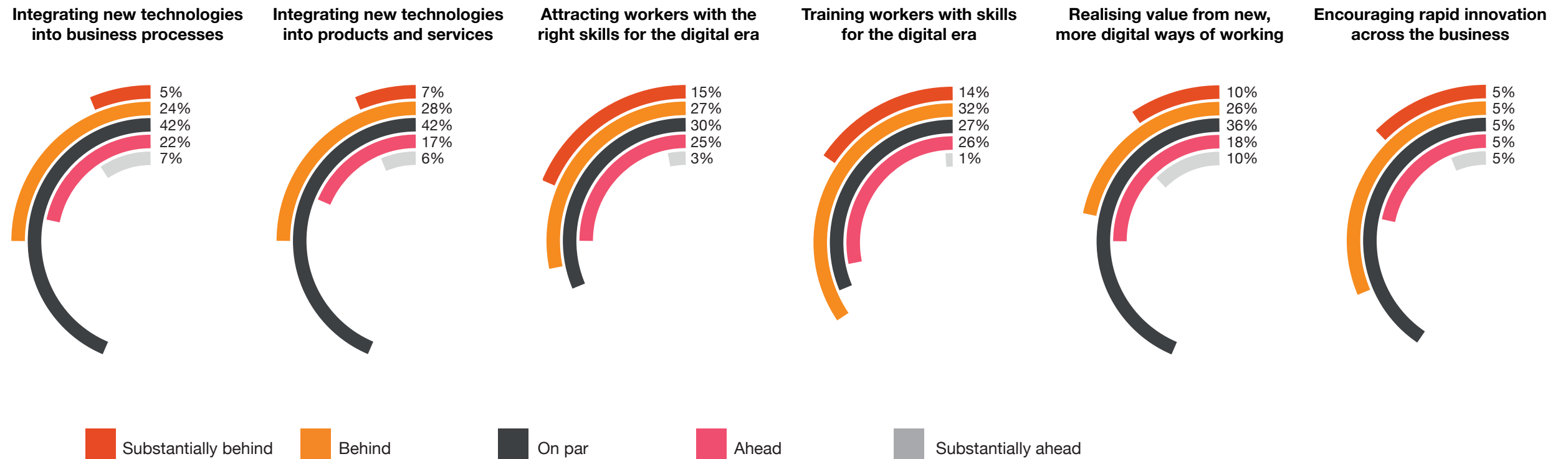
In the following areas, to what extent do/did you expect benefits as a result of digital efforts?



## Leading and trailing

The findings highlight a wide gulf between a select group of leaders out in front and a trailing pack with considerable work ahead to catch up. As digitisation accelerates, this gap could grow and be increasingly hard to make up.

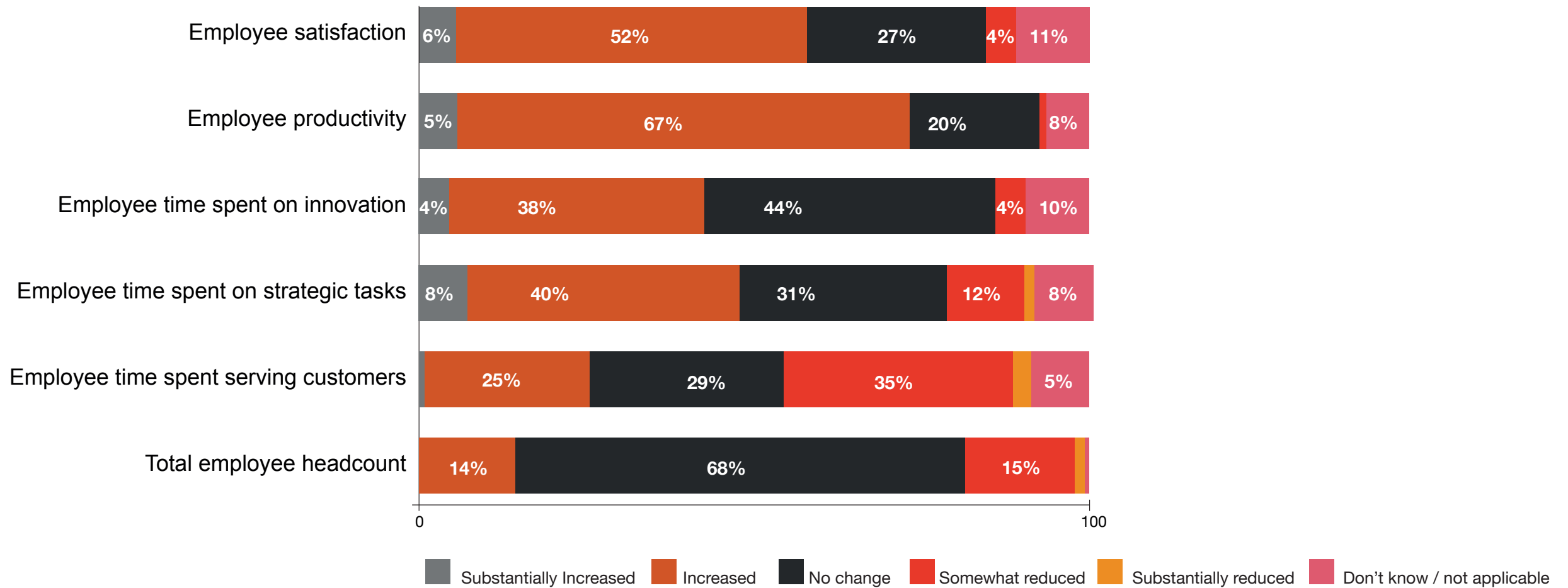
To the best of your knowledge, how do you rank your progress in the following areas against internal strategic plans/targets?



## Benefits in the bank

Almost three-quarters of respondents believe that digital technologies have helped them to boost workforce productivity. Over half report increases in employee satisfaction.

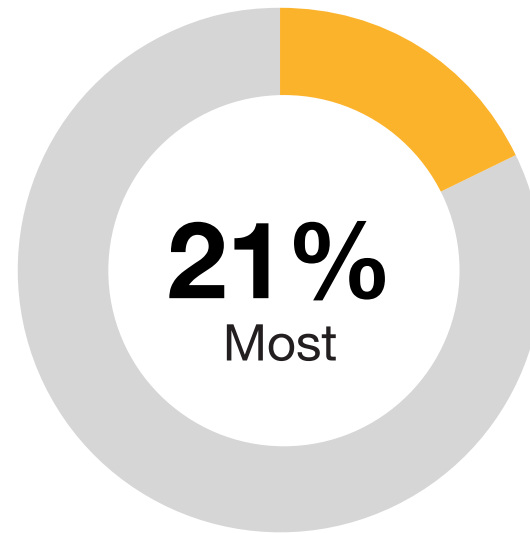
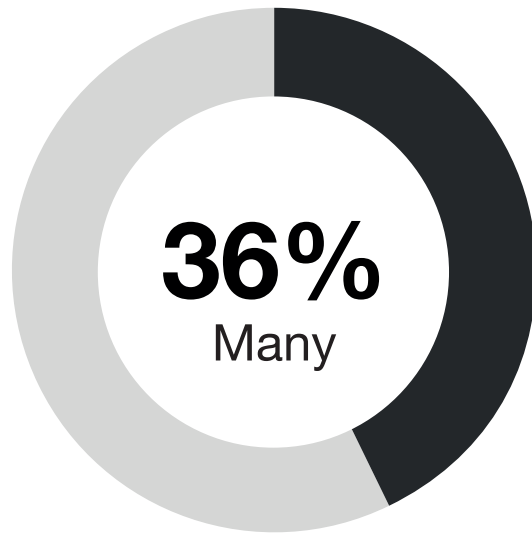
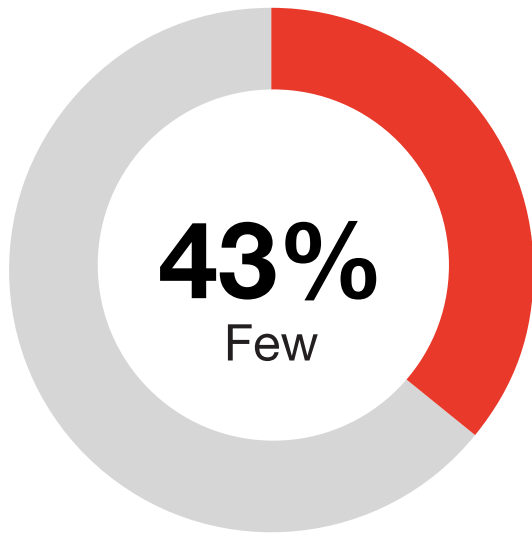
How has your company's use of digital technologies, processes, and behaviours changed the following aspects of your workforce?



## Remote working embraced

Over half of respondents expect at least a third of their employees to be working remotely more than one day a week a year from now. The challenge for leaders is how to manage, inspire and create cohesion across a scattered remote-working workforce.

What percent of your office employees do you anticipate will work remotely more than one day a week a year from now?

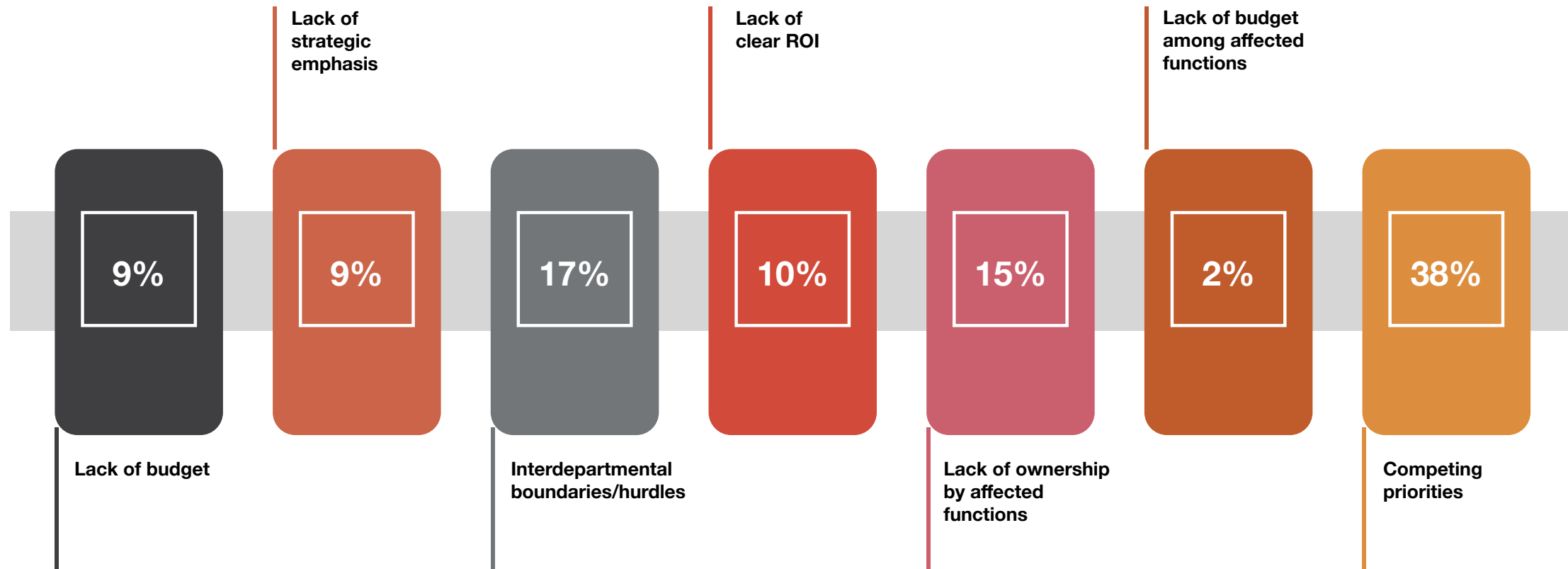


Over half of respondents (57%) expect a third or more of their employees to be working remotely more than one day a week a year from now. Over one fifth (21%) of respondents expect most of their employees to be working from home.

## Competing priorities

Leading a long list of barriers to transformation, is competing priorities. This underlines the importance of a clear business case and actively monitoring and managing return on investment.

What are the major barriers to efficient management of customer and employee experience? Select up to 2.



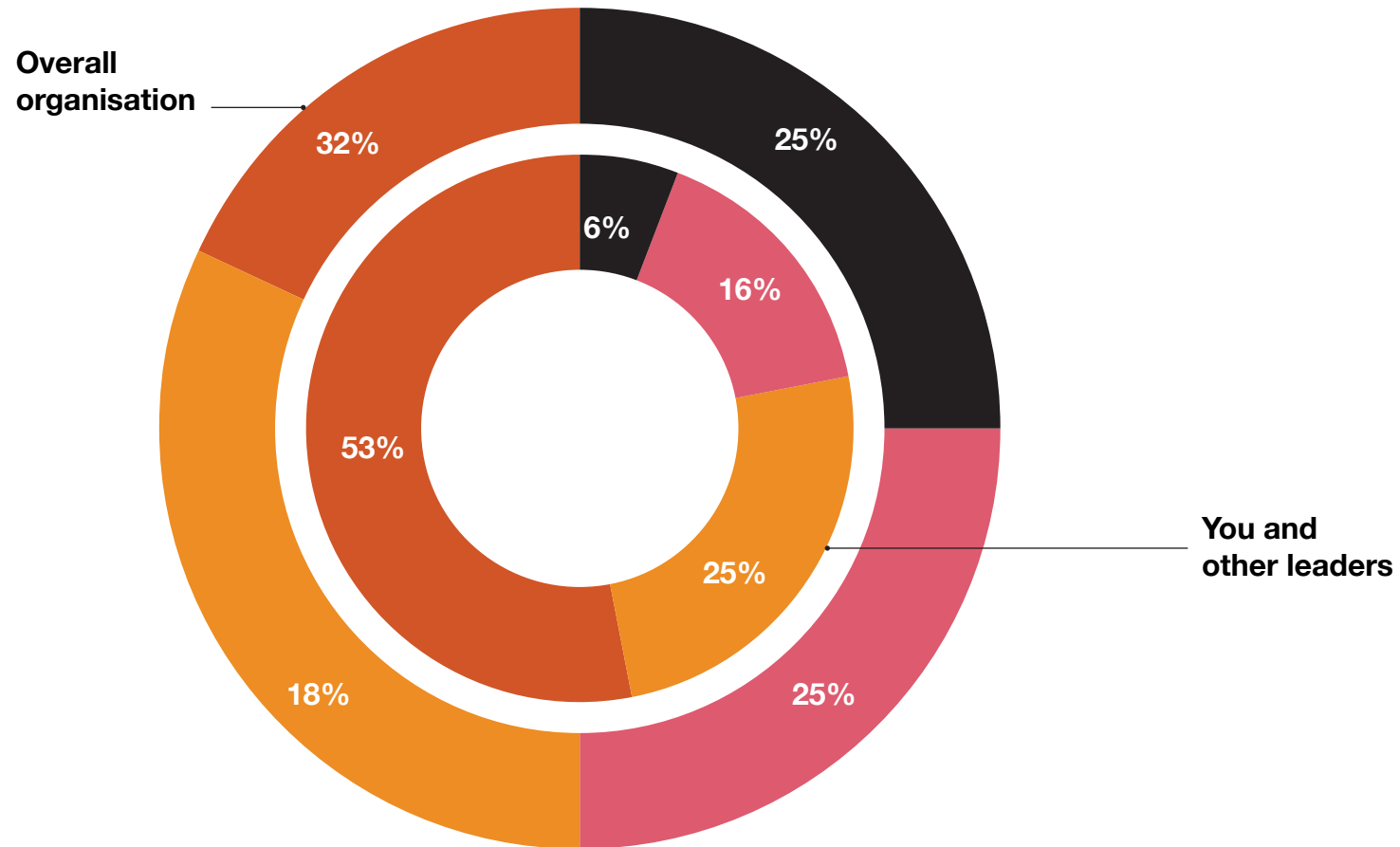


## Lack of understanding

Beyond technology, effective leaders recognise the importance of organisational mindset and integration. But less than 20% of respondents feel their workforce understands this.

How do you and your organisation's leaders define digital? How does your overall organisation define digital? Choose one statement that best describes the definition for each group.

-  Digital goes beyond technology alone to reflect a mindset that embraces constant innovation, flat decision-making, and the integration of technology into all phases of the business.
-  Digital reflects our unified approach to customer and employee experience, technology, and business performance.
-  Digital is synonymous with IT.
-  Digital refers to all the investments we are making to integrate technology into all parts of our business.

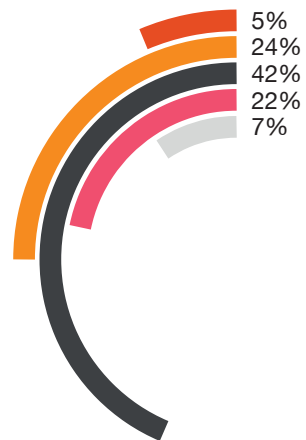


## Behind on upskilling

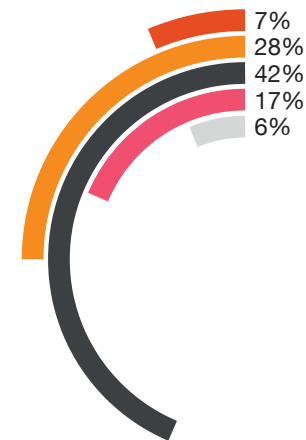
Nearly half of respondents believe their organisation is behind in training workers with skills for the digital era. The priorities aren't just technical skills, but also how to create the right mindset.

To the best of your knowledge, how do you rank your progress in the following areas against internal strategic plans/targets?

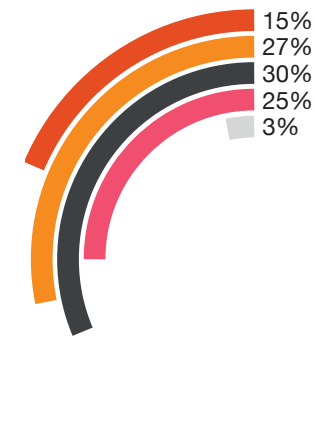
**Integrating new technologies into business processes**



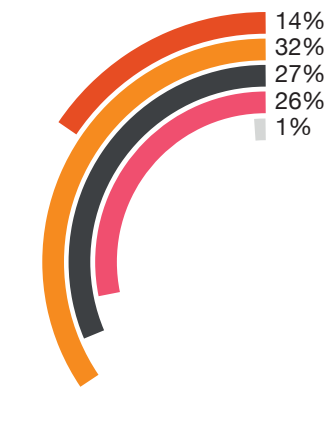
**Integrating new technologies into products and services**



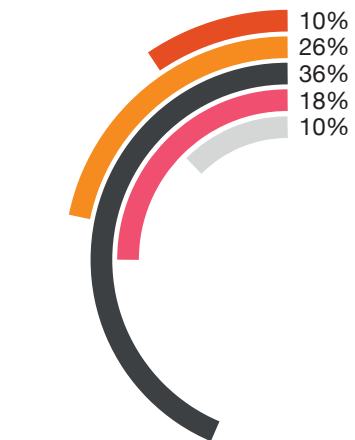
**Attracting workers with the right skills for the digital era**



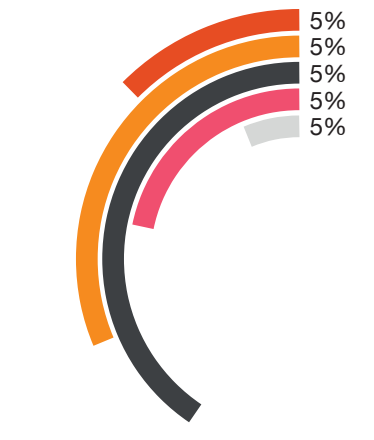
**Training workers with skills for the digital era**



**Realising value from new, more digital ways of working**



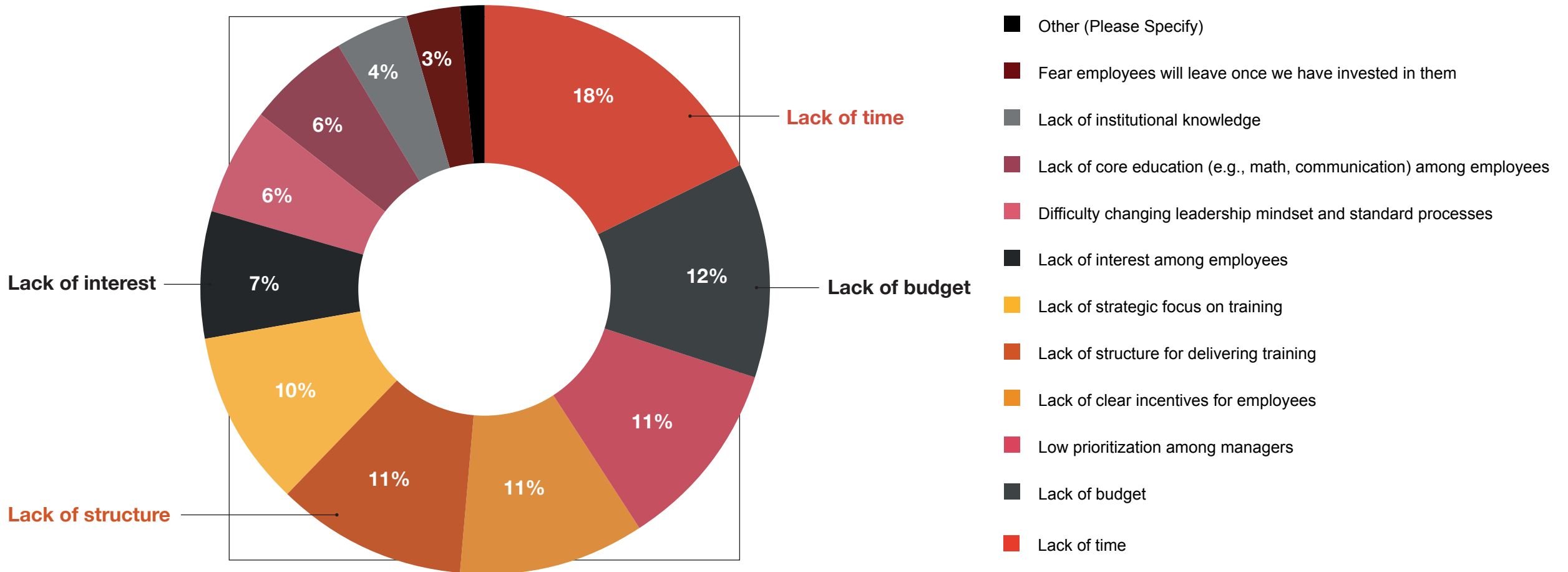
**Encouraging rapid innovation across the business**



## Held back by time and cost

Respondents cited a broad range of factors when asked what's holding up upskilling. While lack of time and budget are at the top of the list, other barriers further down the list such as lack of interest and structure can exacerbate this.

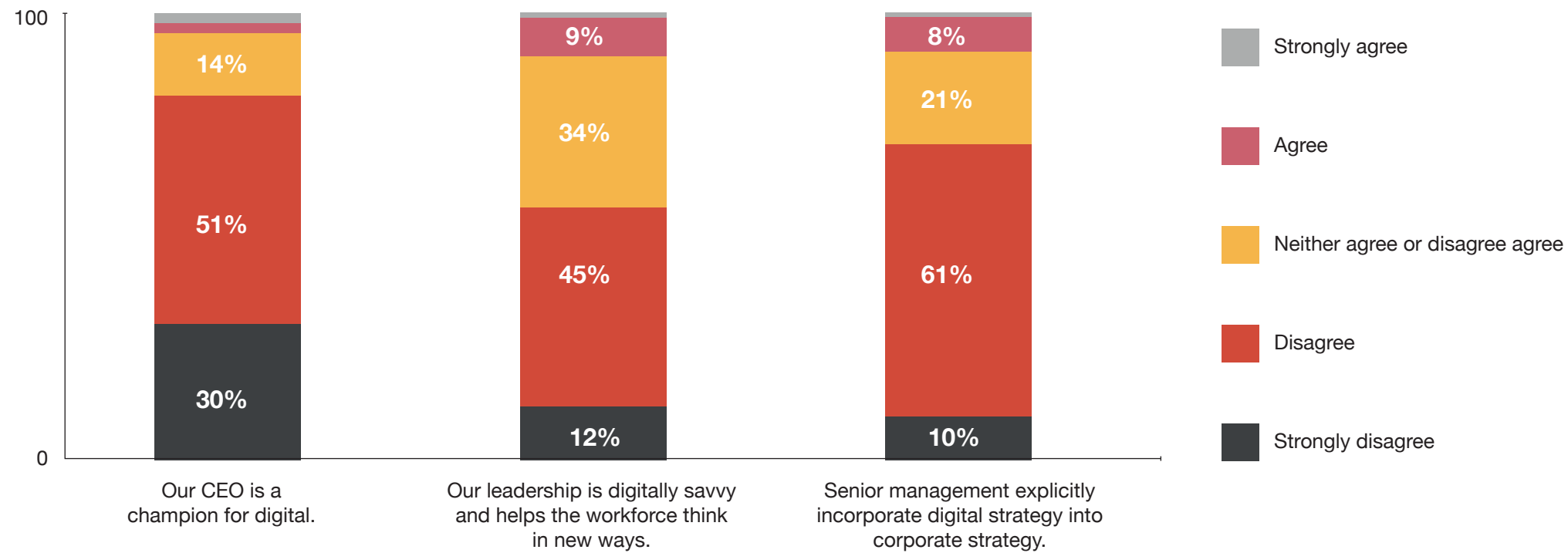
What are the key barriers to upskilling the workforce at your organisation?  
Select up to 3.



## Leading from the front

More than 80% of respondents say their CEO is a champion for digital. Around 70% believe that senior management is unafraid to take calculated risks to support digital transformation.

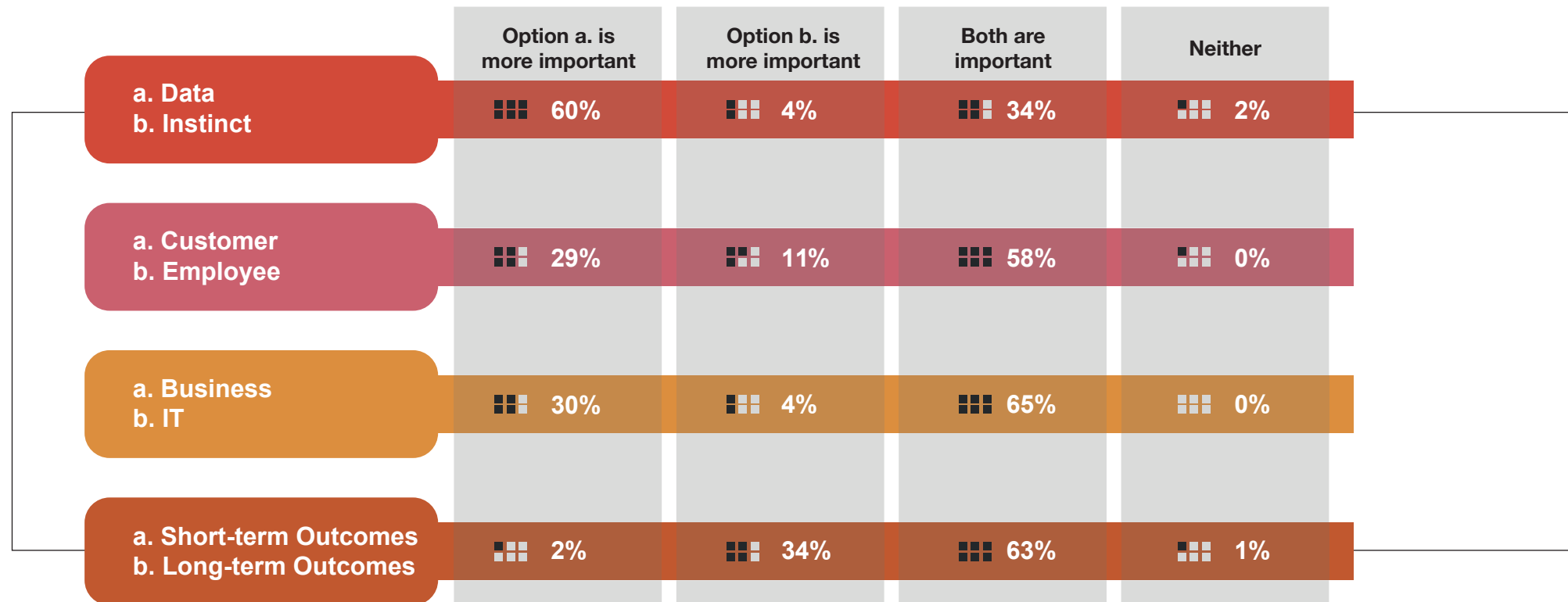
To what extent do you agree with the following statements about your organisation's senior management team.



## Data as the lifeblood

60% of respondents believe that the right data is critical to driving their digital transformation strategy.

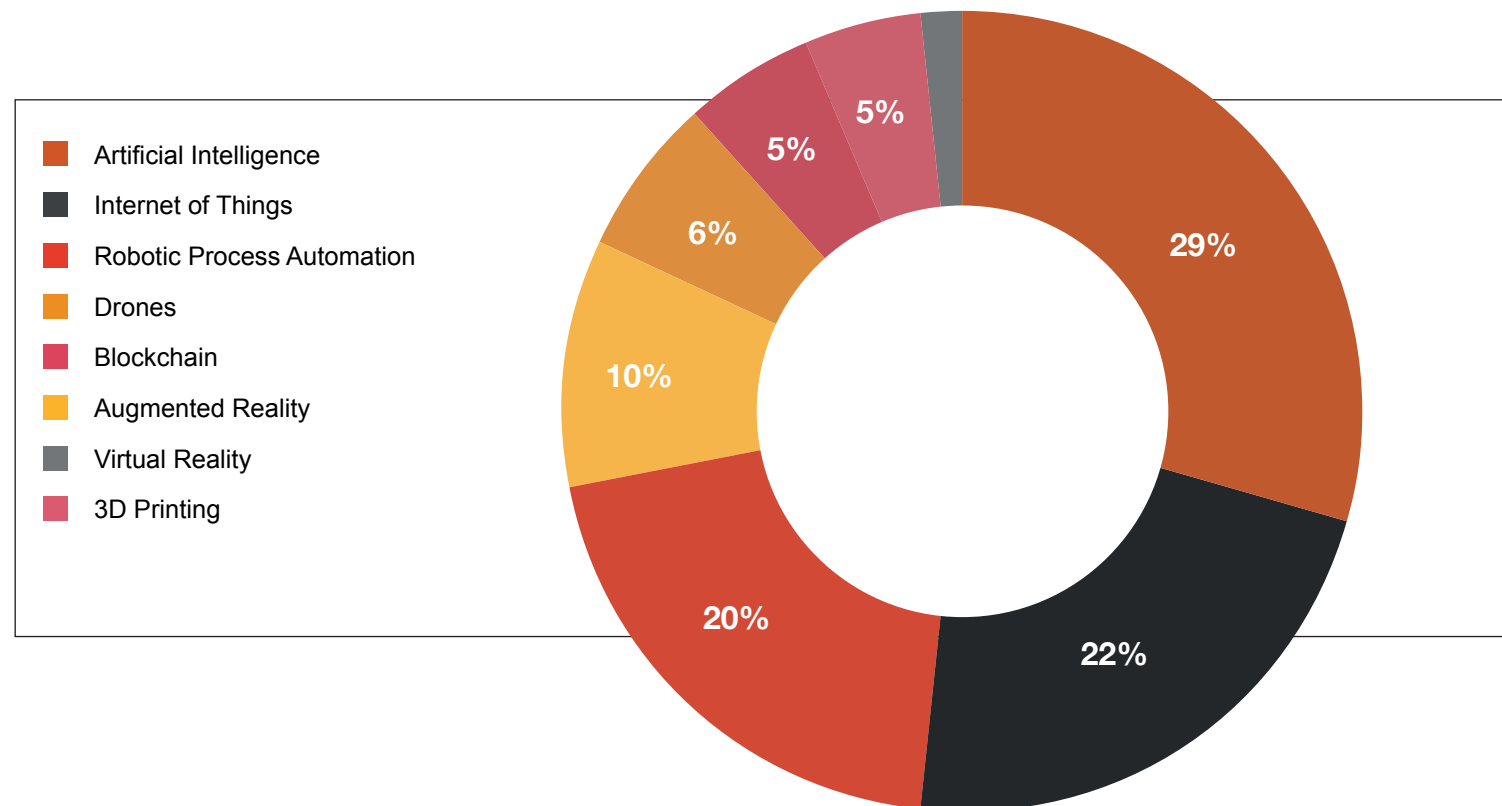
Which of the following is currently more important in driving digital transformation strategy? Choose one option for each item below.



## Harnessing emerging technology

Artificial intelligence (AI) is the most prioritised emerging technology. More possibilities are opening up all the time, from diagnostics to self-driving vehicles. However, AI is a broad and complex arena, underlining the importance of clear strategic targeting to make the most of the potential within your particular business and avoid competing priorities.

Which of the following emerging technologies have been prioritised or is most applicable to your organisation's strategy? Select all that apply.



## Contacts

If you would like us to measure the Digital IQ of your business or help accelerate and take transformation to the next level, please reach out to us.



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## PwC in the Caribbean digital products

Learn more about the digital products we offer to help you lead the next phase of your evolution.



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