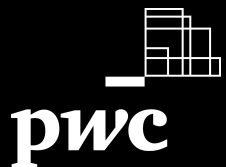
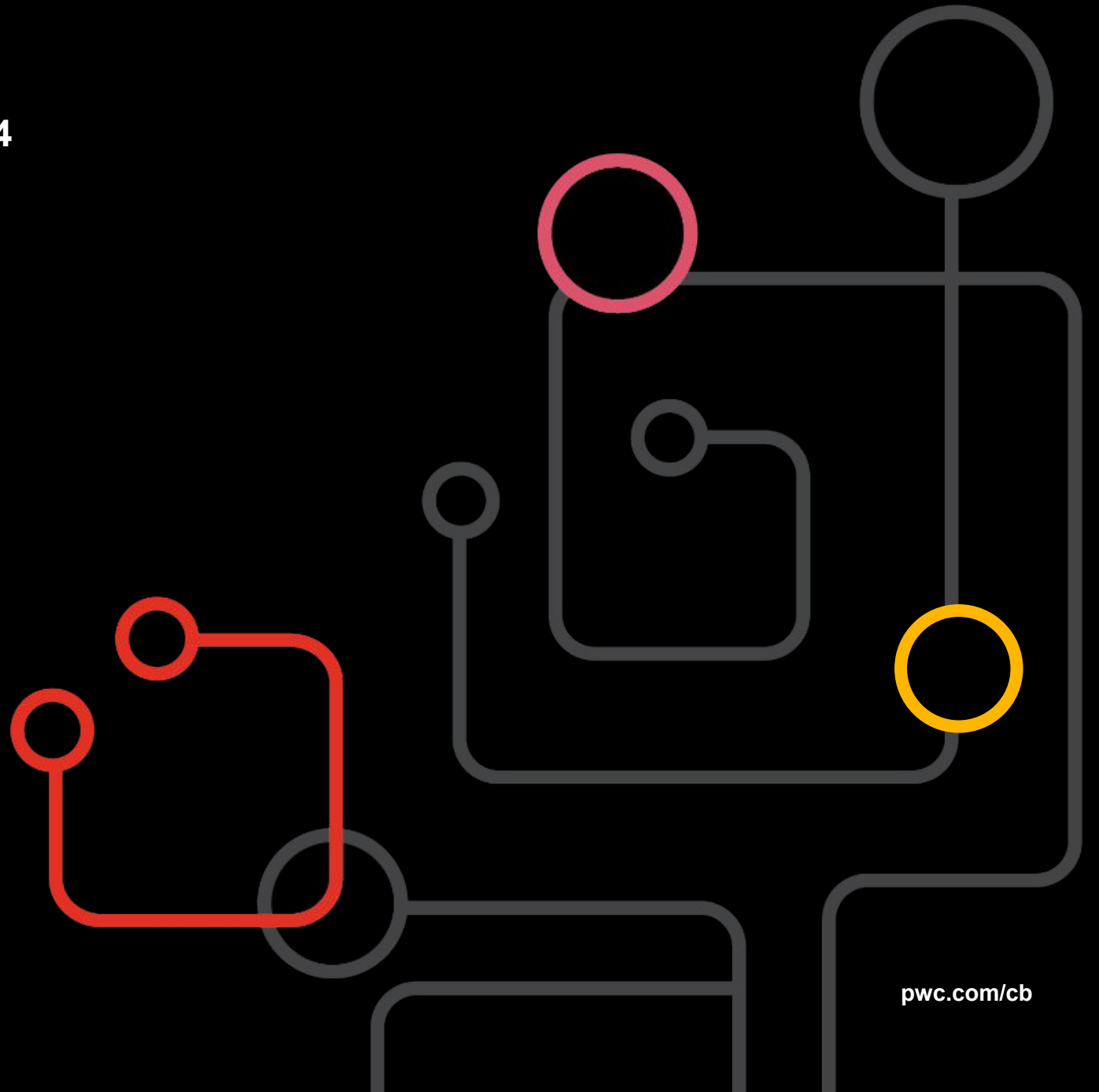


Caribbean Digital Readiness Survey 2024

# Fast forward or fall behind



[pwc.com/cb](https://pwc.com/cb)

**47%** of Caribbean businesses surveyed are seeing a return on their digital investments. How can your business pick up the pace of change and make sure you're in this leading pack?

## No time to lose

### Welcome to **Fast forward or fall behind: Caribbean Digital Readiness Survey 2024**

When we last surveyed Caribbean businesses about their digital readiness in [2021](#), respondents were keenly aware of how digital transformation could help them to boost productivity, drive innovation and sharpen competitive differentiation. But there was a big gap between the 'transcenders' (top 5%) who were reaping the digital dividend and a trailing pack struggling to realise their ambitions.

**Cut to 2024 and digital readiness has moved from future goal to pressing necessity – businesses can either fast forward or risk falling perilously behind their competitors. Key highlights:**

- **47% of Caribbean businesses surveyed see a return on digital investments**
- **68% see their CEO as a digital champion**
- **45% see AI as critical to strategy**
- **Average Digital IQ of Caribbean businesses rises to 67, however innovation and adaptability lags behind**
- **37% see digital disruption as a threat to their survival**
- **55% recognise cyber security needs improving**
- **Outdated systems and lack of integration are biggest barriers to digital transformation**

In this report, we look at how far Caribbean businesses have come and how to move further and faster in driving transformation and becoming a digital leader.

# The impetus to reinvent is intensifying



**Zia Paton**

Digital Services leader,  
PwC in the Caribbean

Our latest **Caribbean Digital Readiness Survey** highlights the growing sense of urgency within boards and business teams as they strive to keep pace with advances in technology and shifting customer expectations.

Artificial intelligence is sharpening the focus – creating a catalyst for innovation and business model reinvention on the one side, and a high degree of uncertainty and concern on the other.

As [PwC's 2024 M&A Outlook](#) highlights, digitalisation remains a strategic priority for businesses as they need to address consumer expectations and build market position.

Well-targeted investments in systems and skills are clearly critical. But they're not enough on their own to accelerate transformation and move out in front.

**The businesses reaping the digital dividend are marked by the boldness of their ambition, the readiness of their workforce to embrace new possibilities, and their agility and resilience in the face of continual disruption and change.**



# Seven key takeaways

## 1. Thriving in an age of continuous reinvention

Nearly half of Caribbean businesses surveyed (47%) see a return on their digital investments in delivering value or transformative effects, including:

- Creating better customer experiences (65%)
- Improving decision making (54%)
- Enhancing brand (47%)

In comparison, a recent [PwC US survey](#) finds business leaders' top challenges to their companies' ability to transform largely centre around tech, including achieving measurable value from new tech (88%).

## 2. CEOs take ownership of transformation

68%

agree CEO is champion for digital transformation

The number who see their chief executive as a champion for digital transformation highlights the growing strategic importance and urgency of operational modernisation and business model reinvention.

### 3. Artificial intelligence is accelerating the pace of change

**45%**  
say AI critical  
to strategy

45% of respondents in the Caribbean see artificial intelligence (AI) as the most critical technology to their company's strategy today. That grows to 52% in three years as the transformational impact of AI gathers pace.

### 4. Digital IQ rising, but this isn't translating into innovation

Digital IQ rises  
to  
**67**

Average Digital IQ has risen to 67/100, up from 63 in 2021. Respondents were asked to rate their organisation's Digital IQ on a scale of 0 to 100, where 0 = weak and 100 = strong. **However, while IQ has risen, just 25% of respondents believe their business strongly encourages digital innovation and adaptability.**

## 5. While some Caribbean businesses are thriving, others risk falling behind

37%

face survival-level threat from digital disruption

More than a third of respondents believe their organisation faces a survival-level threat from digital disruption. Only a quarter see their organisations as digital leaders, while less than half think their company's digital transformation is on track and proceeding quickly enough.

42%

think their organisation's digital transformation is on track and proceeding quickly enough

## 6. Cyber vulnerabilities are increasing

55%

say their cybersecurity needs improvement

Digital transformation and data proliferation are ramping up the cyber risks and need for effective protection. **But over half of respondents acknowledge their ability to safeguard sensitive data and defend against emerging threats needs improvement.**



## 7. Legacy systems are biggest barrier to progress

# 33%

of business leaders in our survey see the biggest challenges to digital transformation as **outdated systems and lack of integration** between new and existing technologies and data.

This highlights the urgent need to clear away the legacy systems and step up the pace of modernisation.



# Delivering the digital dividend

## Threats and opportunities in an age of continuous reinvention



When we asked businesses where they expect to see the most value from their digital investments, most point to **creating better customer experiences, improving decision making and enhancing their brand.**

But some organisations are more successful than others in realising this value potential. What's clear from our experience of working with a range of businesses in the Caribbean is that digital leaders are applying the human-led, tech-powered insights to get closer to customers, understand their needs and develop the increasingly innovative, sustainable and personalised products and services needed to meet fast-changing demands.

The leaders are also building on firm systems foundations including full migration to the cloud and harnessing the latest advances in AI – generative artificial intelligence (GenAI) in particular. We're seeing how this is enabling them to boost productivity, carve out new revenue streams and develop solutions to pressing problems like climate change, rising costs and supply chain disruption.

- The opportunities and risks of Gen AI are highlighted in [PwC's 27th Global Annual CEO Survey](#). **In the next year, nearly 60% of CEOs expect GenAI to improve product or service quality.** Within the next three years, **nearly seven in ten anticipate that GenAI will increase competition, drive changes to their business models and require new skills from their workforce.**

Focusing on the areas of **digital skills; tools and applications; systems and infrastructure; and ecosystems and culture**, our survey looked at the impact and benefits of digital investments, and organisations' readiness to compete and remain relevant in the rapidly evolving landscape.



# Human-led, tech-powered: Digital agents and skills

Question: Which of the following is your organisation doing to upskill your workforce?  
Please select all that apply

## Assessing whether Caribbean businesses have the tech skills and business acumen to drive digital transformation.

The survey highlights the step-up in investment in workforce upskilling. The benefits can be seen in the rise in **Digital IQ** – how well an organisation understands and captures the value of digital investments in tools, business processes and culture.

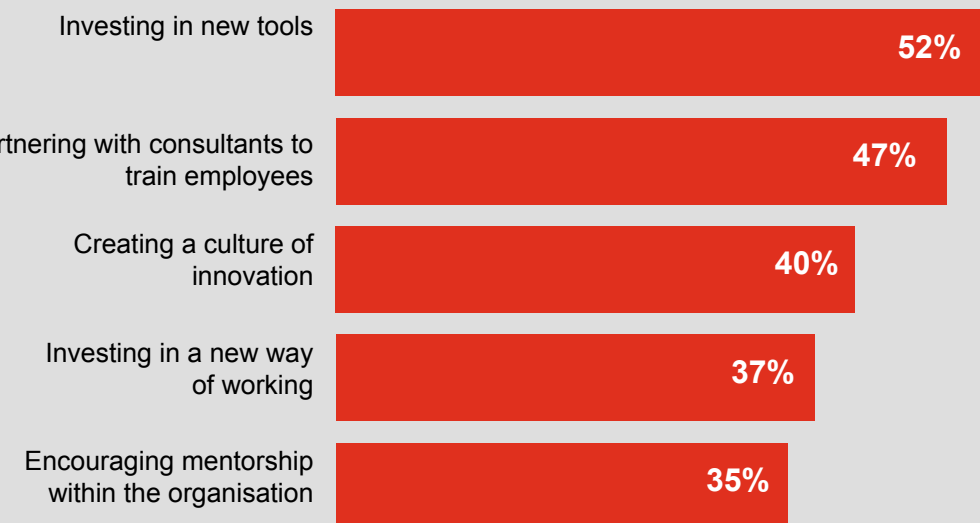
The risks of underestimating the importance of upskilling are highlighted in PwC's [Global Hopes and Fears Survey](#), which finds that the majority of workers do not appear to have clarity on how their job requirements may change. What's more, workers whose jobs don't require specialised training appear the least likely to see change coming.

- Only 15% of these [respondents](#) say the skills required to do their jobs will change in the next five years, compared with 51% of their counterparts whose jobs are more specialised.

**Encouragingly, 68% of Caribbean respondents see their leader as a champion for digital transformation.** However, only 59% believe their leadership is sufficiently digitally savvy and helps the workforce think in new ways.

When respondents were asked about the barriers to upskilling their workforce, the top three were: **Lack of time (40%), lack of budget (36%) and lack of strategic focus on training (28%).**

## Top 5 ways businesses are upskilling workforce



Source: Caribbean Digital Readiness Survey 2024

# Equipped to compete: Digital tools and applications

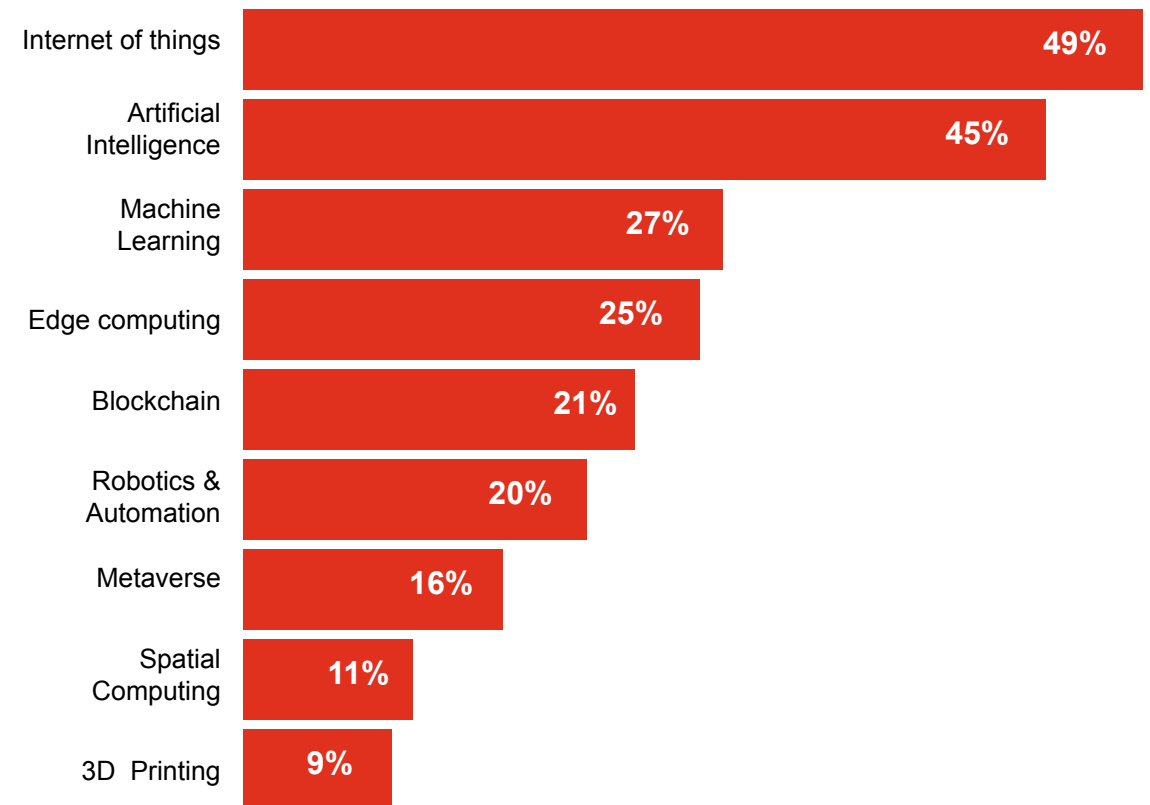
Question: Which of the following technologies is most important to your company's strategy today?

## Assessing whether Caribbean businesses have the necessary software, applications and online platforms to improve customer experience, sharpen process efficiency and drive down costs.

The survey highlights the importance of digital technology – especially AI – in meeting key business objectives in areas ranging from cost reduction to improved customer experience. Many also see emerging technology as a platform for meeting future needs as their markets evolve and new opportunities open up.

- A surprisingly high proportion of respondents (55%) are still not fully utilizing data tools across all operational activities, even though this is key to cost control and improved productivity.
- Similarly, only 17% report that data analytics plays a central and critical role in guiding decision making and processes.
- In addition, only 59% of the businesses taking part in our survey are able to leverage their use of digital technologies to differentiate their products and engage with customers.

## Most important technologies to company's strategy today



Source: Caribbean Digital Readiness Survey 2024

# Empowered, connected and collaborative: Digital systems and infrastructure

Question: Which of the following steps have you taken to support digital transformation in terms of technology and infrastructure? Select all that apply.

**Assessing whether Caribbean businesses have the connected digital systems and infrastructure they need to power transformation, strengthen communication and collaboration; This power and connectivity are critical in their ability to operate, grow, innovate and respond to demands.**

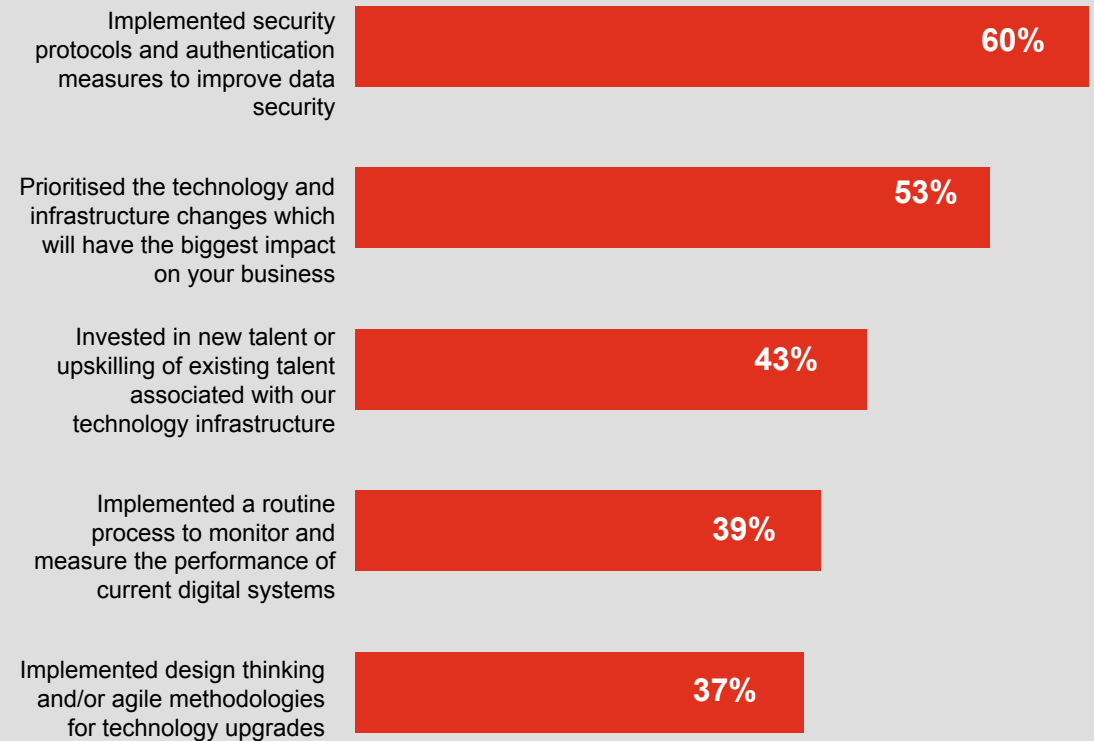
Among the trickiest questions facing businesses as they look to accelerate digital transformation and realise the return, is how – and how quickly – to retire and replace their legacy systems.

Only 53% have been able to prioritise the technology and infrastructure changes that will have the biggest impact on their business. **Only 37% have implemented design thinking and/or agile methodologies for technology upgrades.**

Concerns over cybersecurity further highlight the challenges of creating and running a digitally-powered organisation.

- More than half of the respondents (55%) acknowledge that their ability to safeguard sensitive data and defend against emerging threats needs improvement.

## Digital transformation steps



Source: Caribbean Digital Readiness Survey 2024

# Ready to respond: Digital ecosystem and culture

Question: To the best of your knowledge, how do you compare with your competitors in the following area?

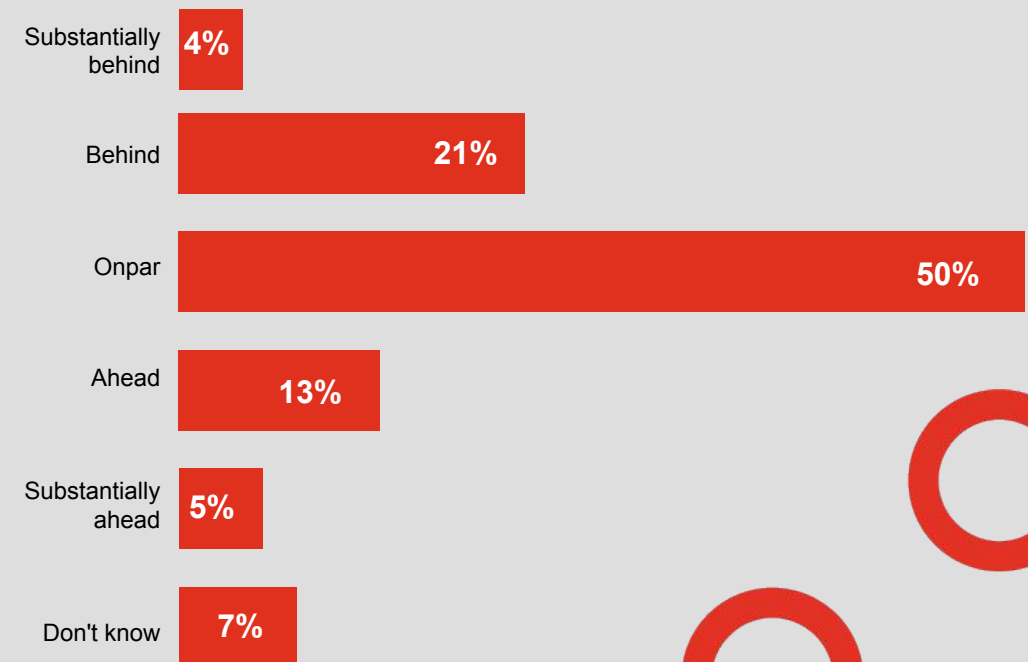
**Assessing Caribbean businesses' strategy and culture and gauging how well they're integrated with necessary stakeholders and their technology and systems. Getting this right enables organisations to reward innovation, promote resilience and respond rapidly to change.**

When asked which companies are setting the digital pace, familiar global names are at the fore. But respondents also cite an encouraging number of Caribbean national and regional champions.

Asked to compare their organisations to the digital leaders, most respondents acknowledge a significant and sometimes glaring divide. Only a quarter consider their businesses to be digital leaders. But more encouragingly, over a third believe that they are keeping pace with the digital front-runners on a number of key fronts. Chief among these is realising value from new digitally enabled ways of working (50%); a further 18% believe they are *ahead* of them.

- More than 40% also believe that their ability to attract workers with the right skills for the digital era, encourage rapid innovation across their organisations and realise value from new technologies is on a par with the leaders.
- And when we look at which companies are going to be challenging the leaders in the future, it's encouraging to see that **79% believe they have a culture that promotes innovation; 25% strongly agree while 54% say their organisation somewhat encourages innovation and adaptability.**

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



Source: Caribbean Digital Readiness Survey 2024



# Five ways to speed up digital transformation

## 1. Think big and go big

Emerging technologies open up opportunities to reimagine how your business operates and transform its value creating potential.

**GenAI is a clear case in point.** For example, GenAI can help almost every knowledge worker to increase capacity, make more informed decisions and be up to 40% more productive as a result.

**Strategically, the priority for leaders is to keep track of the latest tech advances**, understand the resulting possibilities and be bold and decisive in setting the vision for capitalising on the potential.

## 2. Use cloud modernisation as a springboard for transformation

The cloud can accelerate transformation by providing a fast, accessible and scalable plug-and-play entry point for a range of digital technologies including AI, Internet of Things sensors and big data analytics.

**Cloud migration and modernisation also allow you to collect, collate and analyse data from across your organisation and its value chain. The results can help you to sharpen decision making and provide a foundation for reliable reporting in areas such as decarbonisation.**



### 3. Make upskilling count

Upskilling works best when your people are willing to embrace change and can apply their new skills in their everyday work.

It's notable that most of the workers taking part in [PwC's Hopes and Fears Survey](#) see mostly positive impacts from AI. The emergence of GenAI will raise the bar for upskilling as so much of the potential centres on increasing workforce capability and productivity. But it could also create incentives by allowing people to reimagine their roles and what they can accomplish.

Successfully driving change in the workplace requires greater focus on proactively managing changes in tasks and jobs and fostering an enabling culture of innovation (which our survey points to a need for further strengthening - only 25% agree their business strongly encourages digital innovation and adaptability.)

### 4. Make sure your data is up to scratch

Technology is only as reliable as the data that feeds into it – rubbish in inevitably leads to rubbish out. If left unchecked, AI can exacerbate any problems with data supply and potential bias.

As a result, you not only need to make sure the initial data is up to scratch, but also keep prompting, checking and re-prompting the AI as part of a continuous cycle of input and output.

## 5. Strengthen security and trust

Your customers need to know that their data is being used responsibly and is appropriately protected; **51% of companies have executives nominated to handle these responsibilities** but at the same time say there is no formal governance framework and process in place.

Cyber vulnerabilities will inevitably increase as data proliferates and more of your operations and stakeholder interactions are digitised. **So it's important to put cyber security at the epicentre of digital innovation and operations by fostering organisation-wide understanding and responsibility for managing the risks.**

- As PwC's [2024 Global Digital Trust Insights](#) survey highlights, the organisations that are successfully doing this are experiencing fewer breaches, and the attacks that do hit them aren't as costly.

The inner workings of **GenAI** may be hard to monitor. So it's important to check the inputs and outputs for errors and biases as part of a 'human in the loop' approach. You can also make sure that your workforce is alive to the risks and aware of what the AI can and cannot do as part of your guidance on ethical and responsible use.



# About the survey

From November 2023 to January 2024, PwC surveyed 76 senior executives from across the Caribbean including in: Anguilla, Antigua and Barbuda, Bahamas, Bermuda, Barbados, Jamaica, Trinidad and Tobago, and Turks and Caicos Islands.

## Among the executives who participated in the survey:

- **43%** were CEO/CFO
- **57%** were CIO/CRO/Other
- **24%** lead organisations with revenues of US\$100m to more than US\$500 million
- **41%** lead organisations with revenues between US\$2 million and US\$99 million



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# Leading digital transformation across the Caribbean

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