Bridging strategy and execution

Unlocking real digital

transformation in maritime

The maritime sector faces increasing challenges, from rapid technological advancements to complex regulatory environments and the need for environmental sustainability. Ports and shipping companies must navigate these pressures while meeting global trade demands. A well-defined digital strategy is critical in this context as it lays the foundation for addressing these challenges and ensuring that investments in technology deliver measurable, long-term value.

Why a digital strategy is critical for the maritime sector

The maritime industry's reliance on seamless logistics, regulatory compliance, and operational efficiency makes digital transformation a necessity, not an option. However, bold strategies alone aren't enough. Without a clear, practical framework for turning plans into action, the gap between vision and execution widens. Success hinges on a digital strategy that is not only ambitious but also actionable, with a focus on governance, collaboration, and simplicity to navigate the complexities of this sector.

Imagine investing millions into a smart port system designed to optimise cargo handling and streamline port operations, only to find it's barely used by the workforce. Or launching a port community system that promises seamless communication between shipping lines, port authorities, and customs, only to see it fall apart due to outdated processes, lack of integration, or resistance from key stakeholders. Perhaps, the introduction of a single-window platform to streamline import-export documentation fails due to poor adoption or lack of coordination between stakeholders.

Unfortunately, these scenarios are all too common. Far too many digital transformation efforts in industries like transport and logistics fall short of their goals, often due to overlooked factors such as activation, poor collaboration, or resistance to change. Achieving success requires more than just a strategic vision – sustainable change demands meticulous execution, alignment, and adaptability across the entire organisation.

As highlighted in our 27th Annual CEO Survey: Middle East findings, for 61% of business leaders in the region, technological change has been the most important driver for reinvention over the past five years. Today's pace of change and the influence of converging megatrends – from technological disruption to climate change – mean that how businesses create, deliver, and capture value will need to fundamentally change too. However, we have seen that even though technology is a driver for reinvention, implementation often falls short of expectations.

Lasting relevance: The key to long-term success

Digital transformation is an ongoing process, requiring continuous adaptation as business environments and stakeholder needs evolve. Over the past few years, priorities have rapidly shifted—from cloud adoption in 2020 for remote operations, to real-time cargo tracking in 2021, environmental sustainability in 2022, and the rise of digital twins and the metaverse in 2023. Now, in 2024, AI is driving predictive maintenance, enhancing security, and streamlining compliance.

To stay competitive, ports must ensure their digital strategies are agile, ready to adapt to future regulatory changes and technological advancements. Digital transformation is an ongoing process, requiring continuous adaptation as business environments and stakeholder needs evolve. Over the past few years, priorities have rapidly shifted – from cloud adoption in 2020 for remote operations, to real-time cargo tracking in 2021, environmental sustainability in 2022, and the rise of digital twins and the metaverse in 2023. Now, in 2024, AI is driving predictive maintenance, enhancing security, and streamlining compliance.

The question is: Is your strategy flexible enough to keep up?

This report examines the critical connection between strategy and execution, emphasising how a focus on activation can transform strategic plans into actionable, sustainable change. It explores:

Creating solutions

that are executable, measurable, and adaptable.

Digital strategies

that are customised to fit specific operational and regulatory needs.

Effective governance

that goes beyond compliance, aligning with organisational dynamics to ensure success.

Collaborative innovation

and strategic partnerships that are vital for embedding smart technologies and meeting global standards.

Continuous adaptation

to stay relevant and compliant.

Beyond the usual script: A fresh take on strategy

We are all familiar with the standard steps of digital transformation - current state analysis, benchmarking, target state design and digital transformation roadmaps. While these steps are undoubtedly essential, they merely lay the groundwork. The true challenge lies in the subsequent phase: translating strategy into execution and achieving tangible outcomes.

In the maritime sector, much like a ship navigating without full knowledge of the tides and weather, a one-size-fits-all digital strategy cannot succeed without addressing specific operational and regulatory complexities. To create an executable strategy, it must be carefully tailored to the unique context of an organisation's environment – whether that entails a smart port initiative, a logistics hub, a port community system, or a single-window platform designed for customs and trade facilitation.

While for some organisations, the focus may be on advanced technologies, such as AI-driven optimisation, others may need to prioritise foundational infrastructure upgrades, process automation using robotic process automation (RPA), or data governance. Each stakeholder – whether regulator, operator, or service provider – requires a tailored approach that reflects both local needs and global standards.
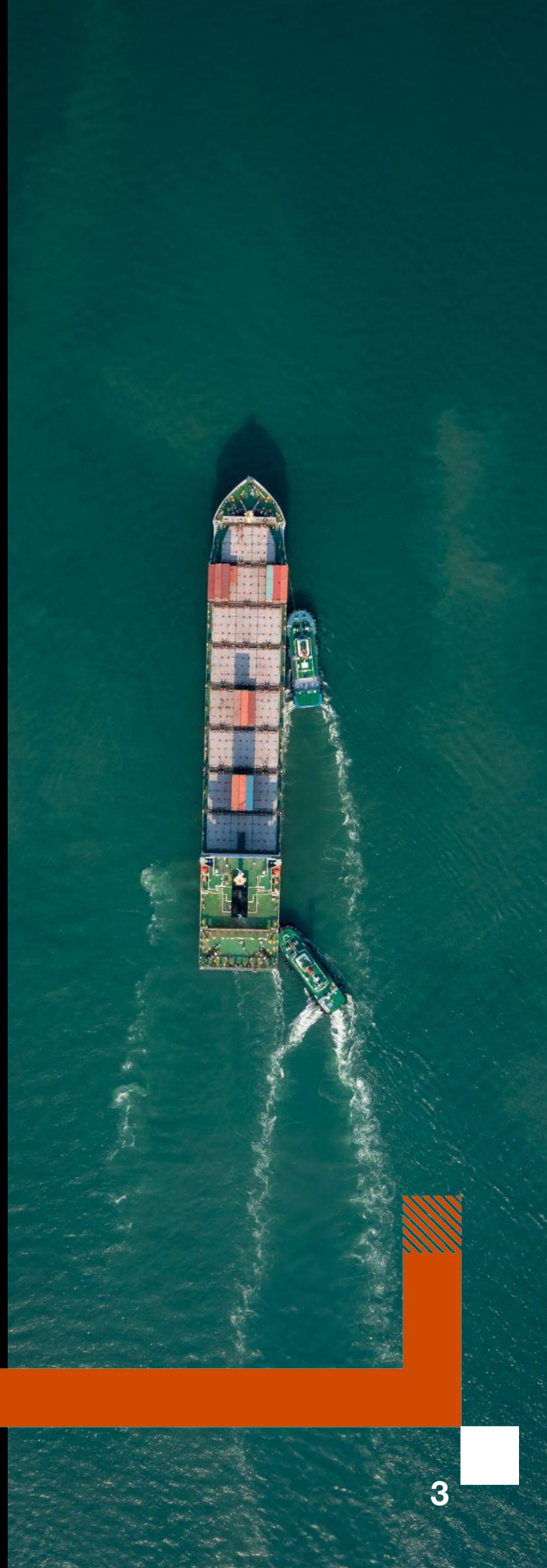
Understand the organisational context

Before articulating any vision, drafting a mission, or setting KPIs, a critical preliminary step is often overlooked – understanding the realities on the ground. This involves asking the right questions:

Who are the key stakeholders of influence within the organisation and the broader ecosystem?

What unspoken agendas might exist, and how could they impact the success of the transformation?

How do governmental priorities and regulations influence the strategic direction of the organisation?

What external forces are at play, and how do they align or conflict with the transformation objectives?

Understanding these dynamics forms the foundation for effective governance. It establishes the context in which all other elements of governance are defined and executed. Without this insight, even the most well-thought-out strategies may falter, as they risk misalignment with the underlying factors driving decision-making and resource allocation.

By aligning the governance structure with the specific realities of the organisation, it is easier to navigate these complexities. This approach ensures that governance is not merely about compliance or adhering to best practices, but about steering through organisational dynamics to achieve meaningful, lasting change.

Governance: Beyond mandates to mastering digital and regulatory landscapes

When we consider governance in digital transformation, the traditional approach often begins with defining vision, mission, objectives, KPIs, and processes. While these elements are essential, they only scratch the surface of what true governance entails. Effective governance must be deeply rooted in a comprehensive understanding of the organisational landscape – who holds influence, the forces at play, and the unspoken agendas that could either propel or derail transformation efforts.

Digital governance in the maritime sector must ensure compliance with both national and international regulations, addressing areas such as data sovereignty, cloud adoption, cybersecurity, Enterprise Architecture (EA), and cloud infrastructure. Meeting these requirements – set by national bodies and international standards like those of the International Maritime Organisation (IMO) – is essential to prevent compliance issues that could hinder digital transformation efforts.

For example, a smart port initiative must ensure that its systems meet local privacy laws while also aligning with international standards for environmental sustainability and trade facilitation. Similarly, a single-window platform must not only integrate seamlessly with existing systems but also comply with global trade and security protocols.

This balanced approach to governance ensures that digital transformation is not only compliant but also competitive in the global landscape. By integrating governance with political awareness and regulatory compliance, organisations can set the stage for a successful, sustainable transformation journey.

Organisational dynamics are often the silent drivers behind key decisions. They shape how resources are allocated, how priorities are set, and how swiftly initiatives move forward. Ignoring these dynamics can lead to a disconnect between your transformation strategy and the organisational realities, resulting in stalled progress or even failure.

Moving beyond a one-size-fits-all solutions

One of the most significant challenges in digital transformation is generalised thinking – focusing on implementing the latest tech trends without truly addressing operational and business needs. Too often, organisations follow a one-size-fits-all approach, which may result in technologically advanced solutions that fail to solve real problems.

For example, an organisation might implement a cloud-based management system to streamline operations. However, putting a system in place without solving the root cause will not solve the challenge. If it isn't integrated with existing digital infrastructure or compliant with data privacy laws, the initiative could face significant delays, inefficiencies, or even penalties.

Real digital transformation requires understanding the specific challenges your organisation faces. Whether it's automating processes, upgrading infrastructure, or improving the customer experience, technology should be an enabler, not the primary driver, of a well-rounded approach.

The role of smart technologies in maritime digital transformation

The adoption of smart technologies – from the Internet of Things (IoT) and AI to automation, cloud computing, and RPA – is central to many modern digital transformation efforts. Whether in logistics, manufacturing, or services, these technologies can optimise operations, improve efficiency, and create new value.

In the maritime industry, advanced technologies are revolutionising operations and enhancing efficiency across various facets:

Digital twins:

Virtual models of maritime assets, including vessels, port infrastructure, and offshore platforms, allow operators to simulate and predict operational challenges in real time, supporting fleet management, route optimisation, and port coordination.

Autonomous maritime vehicles:

From self-driving trucks within port terminals to autonomous ships navigating open waters, these technologies reduce human intervention, improve safety, and enable efficient cargo transport and resource deployment across the maritime ecosystem.

Metaverse integration:

Immersive, virtual environments where stakeholders—such as shipping lines, port authorities, logistics providers, and regulators—can collaborate and visualise maritime operations to streamline decision-making, enhance training, and improve coordination across the sector.

IoT- and AI-powered predictive maintenance:

Real-time monitoring of maritime assets, including vessels, cargo handling equipment, and port infrastructure, enables predictive maintenance, minimising downtime and improving asset reliability across shipping routes, ports, and offshore installations.

These efforts must be integrated with both national regulations and global standards for data management and cybersecurity to ensure long-term success.

Key to an agile transformation approach

In the drive to implement complex systems, simplicity is often overlooked. Yet, simplicity is essential for creating solutions that are executable, measurable, agile, and adaptable.

Key principles that will guide an agile transformation approach:

Executable

A transformation strategy must be actionable. Grand plans that cannot be implemented effectively are doomed to fail. This requires breaking down strategies into manageable steps that can be executed with precision. For example, instead of launching a full-scale AI initiative, start with a smaller, well-defined project that can be scaled up based on its success.

Measurable

Success in digital transformation should be quantifiable. Setting clear, measurable goals allows organisations to track progress, adjust course as needed, and ensure that the transformation delivers real value. For instance, rather than setting vague objectives like "improve customer satisfaction", define specific KPIs such as "reduce customer service response time by 30% within six months".

Agile

The ability to adapt quickly to changing circumstances is crucial. An agile approach allows organisations to respond to new challenges and opportunities as they arise, ensuring that the transformation remains relevant. Agile methodologies, such as iterative development and continuous feedback loops, can help organisations stay on track while being flexible enough to pivot when necessary.

Flexible

Flexibility ensures that the transformation can evolve over time. This means designing solutions that are not rigid but can be adjusted as the organisation and its clients grow and change. For example, a digital platform should be built with scalability in mind, allowing for the addition of new features as business needs evolve.

Key pillars for real digital transformation

To achieve real digital transformation, organisations should focus on the following key pillars:

Culture

Transformation begins with a cultural shift. Organisations must foster a culture of innovation, openness, and collaboration. This involves breaking down silos and encouraging a mindset that embraces change. Culture change is not about forcing new behaviours but about creating an environment where those behaviours can thrive. For instance, introducing cross-functional teams can encourage collaboration and innovation, breaking down traditional departmental barriers.

People

Empowering people is crucial. This includes developing leadership that supports the transformation, engaging employees at all levels, and providing the necessary training and resources to enable them to contribute effectively. People should feel ownership of the transformation, not just be passive participants. Leadership should model the desired behaviours, and employees should be equipped with the skills and tools they need to succeed.

Processes

With the right culture and people in place, organisations can then focus on redesigning processes to align with their new objectives. This involves streamlining operations, removing inefficiencies, and ensuring that processes support the overall transformation strategy. Process redesign should be driven by the needs of the business and its customers, not by the capabilities of the technology being implemented.

Technology

Finally, technology is deployed to support the transformed culture, people, and processes. Technology should enhance, not dictate, the way an organisation operates. It should be seen as a tool to achieve strategic objectives, not as an end in itself.

The big question:

Who drives the digital transformation – and how?

A critical question is: Who drives the transformation? Should it be the digital transformation office (DTO), IT, Value Realisation Offices (VRO), strategic project management office, or perhaps an Innovation Hub? The solution is simple: the office that most deeply understands the business should be in charge. But collaboration is key – the DTO, IT, business units, HR, finance, and others must partner to drive the transformation.

The heart of this operating model is role clarity – understanding who strategises, who plans, who designs, who executes, and who operates. The most effective transformations occur when roles are clearly defined and each department understands how they contribute to the overall strategy.

For example, the DTO might set the vision and strategy, while IT ensures that the necessary technology infrastructure is in place. Business units would focus on how the transformation impacts day-to-day operations, while HR manages the cultural and people aspects of change. Finance would oversee budgeting and resource allocation, ensuring that the transformation is financially sustainable.

The secret ingredient: A comprehensive operating model

To succeed, organisations need a comprehensive operating model that includes:

Mandate

Clearly define the mandate of the transformation initiative. What is the scope? What are the goals? What are the non-negotiables? A well-defined mandate ensures that everyone is on the same page and that the transformation is aligned with the organisation's strategic objectives.

Organisational structure

Set up a structure that supports collaboration. This might mean creating cross-functional teams or establishing new roles that bridge gaps between departments. An effective organisational structure fosters communication and ensures that all stakeholders are involved in the transformation process.

Governance

Establish governance frameworks that ensure accountability, decision-making authority, and alignment with strategic goals. This includes setting up steering committees, reporting lines, and escalation paths. Governance ensures that the transformation stays on track and that decisions are made in a timely and effective manner.
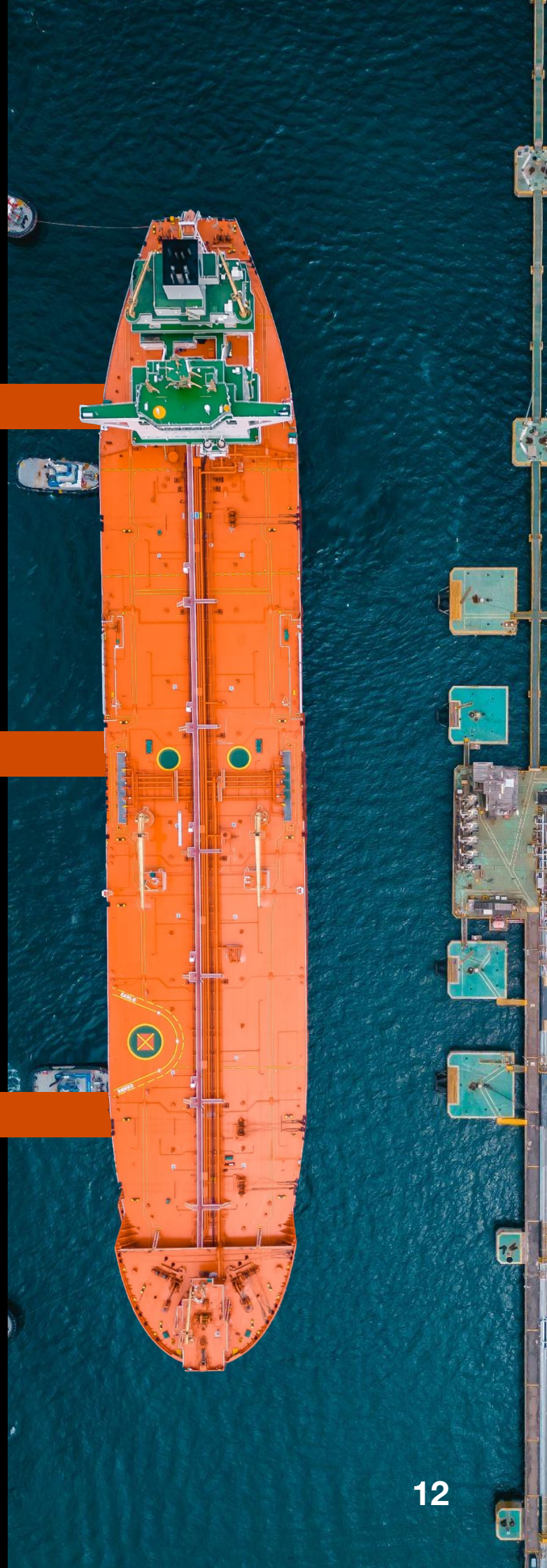
Interaction model

Design an interaction model that outlines how different stakeholders will collaborate. A powerful tool here is the influence and interest matrix, which helps prioritise stakeholders based on their influence and interest in the project. From here, you can develop a detailed Responsible, Accountable, Consulted, Informed (RACI) matrix to define who will do what, who needs to be consulted, and who should be kept in the loop.

Roles and responsibilities

Detail who is responsible for each aspect of the transformation, from strategic decisions to day-to-day operations. Clear roles and responsibilities prevent overlaps and ensure that everyone knows what is expected of them.

Processes

Define the processes that will be used to manage the transformation, from project management methodologies to change management frameworks. Effective processes ensure that the transformation is executed smoothly and that any issues are addressed promptly.

Building consensus:
Getting buy-in from all stakeholders

Before you can move to the roadmap and execution, it's critical to bring all the players to the table. This isn't just about informing them – it's about getting their buy-in, securing their commitment, and gaining their approval of the operating model. When stakeholders feel they have a say in the process, they are more likely to support the transformation and contribute to its success.

Skipping this step is planning to fail. The debate shouldn't be about who manages who but rather how you ensure that every piece of the puzzle is managed effectively to complete the picture. Failing to align on roles, responsibilities, and collaboration is a surefire way to undermine your transformation efforts. Without clear role division and a unified operating model, you risk turf wars, miscommunication, and a fragmented approach that falls short of achieving true transformation.

The path to success: Crafting an executable digital transformation roadmap

A successful Transformation Action Plan (TAP) roadmap should address both technology adoption and operational improvements with a phased approach:

Foundational wave

Build the digital infrastructure necessary to support further advancements, ensuring that regulatory standards and best practices are met.

Operational excellence wave

Focus on automating key workflows and improving operational efficiency to ensure measurable gains in performance and productivity.

Innovation wave

Once the foundation is solid, introduce cutting-edge technologies, ensuring that advanced innovations like AI, blockchain, digital twins, and predictive analytics are built on a stable base.

The missing link:

Activation – bridging the gap between strategy and execution

Many digital transformations fail because organisations jump straight from strategy to execution, missing the crucial step of activation. Activation ensures that every element of your strategy is ready for effective execution, focusing on relevance, simplicity, and agility. A phased approach helps minimise disruption:

Phase1

Start small, focusing on critical systems, processes, and roles, laying a solid foundation for continuous improvement.

Phase 2

Expand and optimise, eliminating waste through Lean principles, refining operations, and adjusting based on real-world feedback.

Phase 3

Fully operationalise and innovate with SMART goals, integrating advanced technologies while ensuring all systems function efficiently.

What does activation require?

Balancing speed and precision

Activation requires balancing speed and precision—moving quickly to maintain momentum but carefully enough to avoid disrupting existing processes. SLAs play a key role in ensuring smooth execution with clear performance expectations.

Minimising disruption

A well-planned activation phase helps minimise disruption by gradually enhancing existing processes rather than replacing them outright, allowing the organisation to adapt and scale.

Change management:
Embedded in every layer

Change management is at the core of this approach—without it, nothing works. It's seamlessly integrated through:

Phased transformation

Incremental change allows the organisation to adapt progressively, ensuring smoother transitions and long-term success.

Understanding the political landscape

By mapping power structures and aligning with key stakeholders, we've ensured no hidden obstacles disrupt the transformation.

Collaboration in the operating model

RACI frameworks foster accountability and ensure collaboration between IT, business units, and leadership.

Stakeholder buy-in

Securing commitment from all stakeholders builds trust and ownership, reducing friction during rollout.

Addressing culture and people first

Real transformation starts with people, not technology.

Principles of simplicity

We keep things simple, ensuring that every step is executable and measurable to avoid overwhelming the organisation.

Change management is embedded in every aspect of our digital transformation approach, ensuring smooth activation and scalable success.

Looking ahead: Collaboration as a catalyst

In the Middle East, we frequently encounter a strong appetite for cross-sector collaboration. Partnerships between port authorities, technology providers, and regulatory bodies drive shared innovation and create a resilient maritime ecosystem. This collaboration is vital for embedding smart technologies and aligning with global standards.

The lessons we've learned from working with clients across the region reinforce that digital transformation in the maritime sector is not just a goal – it's a journey. To build a resilient future, industry players must mobilise resources, secure stakeholder commitment, and implement strategies with agility and precision. With governance, activation, and collaboration at the core, the Middle East's maritime sector can lead in digital excellence and set a global benchmark for impactful transformation.

Three key focus areas can unlock this transformation:

Context

Addressing the most pressing needs of maritime industry stakeholders must begin with a deep understanding of their unique challenges. A clear grasp of specific pain points and operational barriers allows for targeted solutions that solve real problems.

Governance

Develop robust digital governance frameworks that align with both national and international regulations, ensuring compliance and smooth integration of new technologies.

Activation

Prioritise activation steps that bridge the gap between strategy and execution, starting with small, manageable projects that can demonstrate quick wins and scalability.

Collaboration

Foster partnerships across the maritime ecosystem, from port authorities to technology providers, to drive collective innovation and shared success.

Looking ahead, the next steps involve mobilising resources, securing stakeholder buy-in, and implementing these strategies in a phased, agile manner. This can ensure that our digital transformation efforts are both technology-enabled and economically impactful.

Transformation isn't just the need of today, but for a future where governance, activation, and collaboration are pillars of the maritime sector's success.

Contact us

Ahmad AbuHantash
Partner | Technology Consulting
ahmad.abuhantash@pwc.com

Amr Goussous
Partner | Transport & Logistics
Consulting
amr.goussous@pwc.com

Abdel Raouf El Or
Director | Technology Consulting
abdel.raouf.elor@pwc.com

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