



Digital acceleration:

Fueling the ambition for transformation success in Saudi Arabia



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Introduction



Effective transformation strategies are essential for organisations to navigate the complexities of modern global markets, harness opportunities, and overcome challenges for sustainable growth.

In the Middle East we are witnessing significant transformation, with national initiatives aimed at diversifying economies, modernising societies, and reducing dependence on oil. These efforts highlight a growing recognition of the need for long-term sustainability and development.

The Kingdom of Saudi Arabia has been a prominent player in this wave of change. The Kingdom's Vision 2030 is aimed at building a knowledge economy and its success will be crucial not only for Saudi Arabia but also for the region's overall economic stability and growth.

The country's transformation efforts centre around human capital development, establishment of strong governance foundations, and adoption of digital technology to drive diversification, and sustainable growth. This is also reflected in our [27th CEO Survey: Saudi Arabia findings](#) that indicate a robust confidence and optimism among business leaders in Saudi, as they continue to reinvent their businesses by embracing emerging technologies, such as GenAI, while recognising the need to build climate resilience and improve the energy efficiency of their businesses.

However, there are challenges, including the need for skilled labour, overcoming cultural barriers, and global economic fluctuations, which will influence the pace and scale of the transformation.

This report explores how digital technologies tackle transformation challenges to enhance decision-making, efficiency, resource use, and compliance.

Our work with our client in the event space demonstrates how digital initiatives bolster operations, customer experiences, and innovation. It also explores AI's transformative impact on business transformation. Additionally, it provides a strategic roadmap for organisation leaders, emphasising the importance of investing in digital infrastructure, nurturing an innovation culture, and harnessing AI for improved efficiency and growth.





Transformation challenges



In today's business landscape, the challenges of navigating rising costs and evolving market dynamics demand a strategic approach to transformation. Embracing change requires a keen understanding of the hurdles that may arise along the journey. So, here's a comprehensive list of the key challenges in Transformation Management Offices (TMOs) that are frequently mentioned and have consensus by senior executives within globally and regionally:

Developing a clear strategy:

Developing a clear strategy can be complex, and can be hindered by poor goal setting and a lack of alignment. It's critical that the company's leadership clearly communicates the strategic roadmap down the chain to ensure all levels understand and support the transformation objectives.

Data availability and quality:

Challenges related to data availability and quality, such as incomplete, outdated, or inconsistent data, as well as data silos can significantly hinder business transformation efforts. Ensuring timely access of relevant data across various departments and systems can be complex, especially in organisations with fragmented data sources or legacy systems. Maintaining high quality data and ensuring its availability are essential for informed decision-making and smooth implementation of transformation plans.



Change resistance:

Navigating change resistance in business transformation presents multifaceted challenges, including comfort with the status quo, fear of the unknown, and misalignment between existing norms and desired changes. This may also include breakdowns in communication about transformational goals and benefits, potential resistance from leadership, concerns over loss of identity and control, lingering effects of past unsuccessful change efforts, and resource constraints hindering implementation.

Governance:

Governance is critical for shaping resource roles, ensuring that the responsibilities are well defined, and the right operating model and structure supports transformation designed. Existing governance structures may resist change, limiting the agility and innovation necessary for transformation. Complex decision-making can slow progress, while risk management becomes paramount amidst uncertainty. Ensuring alignment between strategic objectives and operational activities requires robust communication channels and goal congruence.

In a PwC global survey, within Europe and North America transformation executives, across diverse sectors, decision-making emerged as one of the primary hurdles in executing organisational transformations, spanning from employees to the C-suite level.



Resource efficiencies:

Resource efficiencies pose multifaceted challenges during business transformation. Organisations encounter hurdles in identifying and allocating resources effectively, constrained by issues such as budget limitations, a shortage of skilled personnel, and outdated technology. They may also encounter obstacles in harnessing modern technology tools, such as AI, efficiently. These factors can impede organisational transformation, subsequently impacting operational efficiency, competitiveness, and prospects for growth.

Efficient operations:

Efficient operations during business transformation requires strategic navigation and adaptation. First, integrating new processes and technologies encounters resistance from employees who are accustomed to established practices, necessitating comprehensive change management strategies to foster buy-in and mitigate disruptions. Second, outdated infrastructure and legacy systems hinder efficiency, demanding investments in modernisation to streamline operations and enhance agility. Third, maintaining operational continuity while innovating poses challenges, requiring organisations to balance transformational initiatives with daily business demands and minimise disruptions. Additionally, managing complex supply chains and vendor relationships necessitates proactive risk management and collaboration to ensure seamless operations. Moreover, regulatory compliance and data security concerns add complexity, demanding robust governance frameworks to safeguard assets and maintain stakeholder trust.



Budget challenges:

Budget issues in business transformation revolve around several key areas. First, accurately estimating the costs associated with transformative initiatives can be difficult, leading to budgetary discrepancies and potential overspending. Second, securing sufficient funding for transformational projects amidst competing organisational priorities and limited resources poses a significant challenge, requiring careful justification and prioritisation of expenditures. Additionally, unforeseen expenses or changes in project scope can contribute to budget overruns, necessitating proactive risk management and contingency planning. Moreover, balancing the need for investment in transformative technologies and processes, along with the need to maintain financial stability and profitability is crucial for long-term sustainability.

By detailing the transformation challenges in Saudi Arabia, PwC Middle East conducted a survey with a sample of KSA transformation executives to identify the most significant challenges they encountered during the implementation of transformation plans within their organisations. The results were not very different compared to the global survey. Within KSA, the responses on how the transformation challenges were perceived, as follows:



90% of respondents identified resource availability and timely decision support as the main challenges for transformation.



This was followed by resistance to change (80%), data availability (70%), resource capability (55%), time and digital limitations (50%), and financial constraints (30%).

In essence, embracing transformation requires a holistic approach that acknowledges and addresses the multifaceted challenges inherent in today's dynamic business environment. Digital solutions can navigate the complexities of change and create stronger and more resilient businesses.





How can digital technologies address transformation challenges in the Kingdom



Digital technologies can play a significant role in addressing key transformation challenges. Resource availability can be tackled through automated processes and streamlined governance activation. Leveraging digital technologies will also improve data accuracy and will support timely decision support on all levels but mainly for leadership endorsement.

01 Improved decision-making:

Digital can provide leaders with timely and accurate information, enabling them to make informed and timely decisions that align with organisational goals and values. Through streamlined communication and collaboration platforms, stakeholders can effectively engage in governance processes, promoting transparency and accountability. Moreover, digital technologies will facilitate near real-time insights for leaders to support decision-making and address emerging challenges. Such technologies empower organisations to navigate complex governance landscapes with confidence, ensuring compliance and driving positive organisational change. Pfizer, a leading pharmaceutical company, for example implemented digital board portal software to revolutionise its governance practices.¹ By doing so, it also streamlined its board meetings, centralising board materials and facilitating real-time collaboration among board members. This digital technologies provided Pfizer's leaders with timely access to critical information, enabling informed decision-making aligned with the company's strategic objectives and regulatory requirements.

¹ <https://investors.pfizer.com/Investors/Corporate-Governance/Corporate-Governance-Overview/>



02 Operational efficiency:

Digital technologies provide efficient means for managing transformation and fostering collaboration. Through automation of reports, real-time discussion boards, data visualisation dashboards, and workflow automation, organisations can optimise resource allocation and streamline processes. Additionally, these tools enhance supply chain visibility, enable data-driven decision-making, improve collaboration, and elevate customer engagement. They facilitate clear communication of organisational roles and responsibilities, implementation of service-level agreements, and management of change through knowledge-sharing and training platforms.

Microsoft, for example, plays a pivotal role in accelerating digital transformation for modern workplaces. Serving as the central hub for teamwork within Microsoft 365, Teams seamlessly integrates various communication tools, ensuring a fast, fluid, and user-friendly experience. In addition, Microsoft Copilot for Microsoft 365 leverages the capabilities of large language models (LLMs) to cater to all levels within an organisation, from senior leaders to frontline workers. Tailored features streamline tasks, automate workflows, and foster collaboration, unlocking productivity and creativity across daily operations. With its adaptable nature and the ability to customise to meet specific organisational needs, Copilot serves as an invaluable asset in navigating the evolving business landscape.

With the help of big data analytics and AI, organisations can analyse vast amounts of data to identify patterns, predict trends, and make informed decisions that optimise operations. This capability allows businesses to fine-tune their processes, target areas for improvement, and adapt to changing market conditions with greater speed and precision.

Digital technologies are, therefore, pivotal in enhancing operational efficiency during a transformation journey and contribute to more agile, cost-effective, and customer-centric operations, positioning organisations for sustained success in a rapidly evolving business landscape.

² <https://www.microsoft.com/insidetrack/blog/microsoft-teams-increases-collaboration-in-the-modern-workplace-at-microsoft/>



03 Resources efficiency:

Digital technologies can enhance productivity and reduce costs by streamlining processes and improving resource efficiency. Automation of routine tasks, such as document management and administrative functions, frees up resources for strategic initiatives and higher-value activities. Digital collaboration platforms facilitate seamless communication and knowledge sharing, enhancing stakeholder collaboration and leveraging diverse skill sets. Additionally, these technologies enable real-time monitoring and reporting of key metrics, providing insights into resource utilisation and performance. This allows for informed decision-making and proactive resource allocation adjustments. Ultimately, integrating digital technologies into governance processes supports operational excellence and organisational growth.

The global aerospace company Boeing has implemented the Project Management Institute's (PMI's) project management systems to streamline their processes, allocate resources effectively, and ensure the timely completion of complex aerospace projects.³By doing so, Boeing has enhanced resource efficiency, improves project outcomes, and drives operational excellence in its aerospace operations. Allen, C. (2009).

³ <https://www.pmi.org/learning/library/plan-attack-boeing-utilizing-pm-2935>



04 Compliance and governance:

Digital technologies play a crucial role in enforcing compliance and activating governance for operational and transformation management teams by enhancing compliance and governance practices in a business context. These tools streamline operational processes, ensuring adherence to regulatory requirements and organisational policies. By providing centralised access to compliance guidelines and procedures. Digital platforms empower the working teams to stay updated on regulatory changes and effectively implement compliance measures. Additionally, digital technologies automate routine compliance tasks, such as workflows, documentation and reporting, reducing manual effort and minimising the risk of errors while seamlessly providing visibility on roles, responsibilities and SLAs.

Furthermore, digital technologies facilitate communication and collaboration among working teams, enabling efficient sharing of information and alignment on compliance objectives. Overall, the integration of digital technologies into compliance and governance processes empowers working teams to navigate regulatory complexities effectively, ensure adherence to standards, and drive operational excellence within the organisation. As an example Tesla, an electric vehicle and clean energy company, utilises “Monday.com” for project management⁴, including compliance and governance initiatives. Monday.com's customisable templates and integrations assist Tesla teams in managing compliance tasks and maintaining governance standards effectively.
⁴ <https://opencommons.upc.edu/handle/2117/405243>



05 Digital tools adoption:

Saudi Arabia is making significant investments in digital infrastructure aligned with their national ambitions. These include high-speed internet, data centres, and E-government platforms, aiming to drive transformation and boost organisational resilience and growth. In today's rapidly evolving business landscape, harnessing digital tools, such as enterprise resource planning systems, project management software, communication and collaboration tools, document management systems and business and analytics and reporting tools can drive transformation and strengthen an organisation's resilience and growth.

Effective transformation requires optimisation of internal processes through digital tools. Implementing advanced analytics and automated workflows enable organisations to make data-driven decisions and foster a culture of agility and adaptability.



➤ For successful transformation, it is essential to incorporate best practice such as:

Enhance collaboration

Foster cross-departmental collaboration to ensure seamless adaptability.

Embrace agility

Maintain flexibility to adjust strategies as needed for optimal outcomes.

Strengthen governance

Build robust governance structures supported by decisive leadership.

Selecting the right digital tools is critical

Successful adoption depends on aligning these tools with organisational needs and user satisfaction.





➤ Considerations include:

Customisation

Balance customisation needs with system features for cost-effectiveness.

Data transition

Choose systems that support smooth data migration.

Integration

Opt for tools that integrate seamlessly within the existing organisational ecosystem to enhance automation.

Security


Prioritise software that adheres to the highest security and privacy standards while providing flexible user access.





Case study





Saudi Government Entity in the events space enhances operations with PwC Middle East's Transform Hub

The power of digital lies in its ability to amplify organisational transformations through data-driven decision-making, fostering agility and innovation, and providing strategic insights for the future. This case study in Saudi Arabia illustrates how successfully integrating digital technologies can enhance transformational success.

The success of this entity's transformation agenda leveraging PwC Middle East's T-Hub technology, reflects a commitment to innovation, efficiency, and excellence in the events industry. This strategic partnership has been critical in driving innovation and transformation, positioning our client as a frontrunner in delivering world-class events and experiences in Saudi Arabia and beyond. By working together, the government entity and PwC Middle East have been able to maximise their respective expertise to achieve common goals and deliver value to clients and stakeholders.





With PwC Middle East's Transform Hub, our client have been able to drive the success of its transformation journey, empowering its strategic pillars for:


Customer experience:

This pillar emphasises delivering exceptional experiences for event attendees, exhibitors, sponsors, and other stakeholders. It includes personalised services, seamless interactions, and satisfaction measurement.

Innovation and technology:

Innovation and technology play a crucial role in modernising event experiences and operations. This pillar focuses on leveraging cutting-edge technologies, to enhance event planning, management, and execution processes.





T-Hub has played a pivotal role in our client's success by providing a digital platform that empowers its workforce, optimises its processes, and drives continuous improvement in event management and execution.

➤ Key enablers of this success include:

Streamlined operations:

T-Hub provides our client with a centralised platform to manage various aspects of event planning and execution, including venue bookings, event scheduling, resource allocation, and vendor management. This digitisation enhances operational efficiency, reduces manual tasks, and improves coordination among team members.

Enhanced collaboration:

T-Hub facilitates collaboration and communication among departments and stakeholders. Team members can access relevant information, share updates, and collaborate on tasks and discussions in real time through the platform. This promotes transparency, aligns goals, leading to smoother event execution.

Data-driven insights:

T-Hub offers analytics and reporting capabilities that enable our client to gain valuable insights into event performance, attendee behaviour, and operational efficiency. By analysing data collected through the platform, the client can identify trends, measure key performance indicators, and make informed decisions to optimise future events and enhance the overall attendee experience.

Customisation and scalability:

T-Hub is customisable to meet the client's specific needs. This flexibility ensures that T-Hub can scale with the clients's growth, adapting to its unique business processes and driving operational excellence.





Looking into the future:
GenAI drives transformation
and excellence in business
strategy





Organisations today are entering a new era of operational and strategic excellence, powered by advanced technology. At the forefront of this transformation is GenAI, fundamentally altering decision-making and execution processes. To harness digital technologies as transformation accelerators, organisations must invest in robust digital infrastructure and promote a culture of innovation. By doing so, they can drive operational efficiency, innovation, and long-term success in the region's dynamic digital landscape. Additionally, they must ensure that this infrastructure is designed for seamless system integration and flexibility, enabling it to scale capabilities and bandwidth to meet future demands.



Organisation leaders must prioritise strategic actions, such as:

➤ **Driving market leadership with AI-driven insights**

By leveraging deep analysis of market data, including activities, such as MoUs, partnerships, and business deals, companies harness AI-driven insights to predict and adapt to market trends. This proactive strategy empowers them to adeptly manage and influence market dynamics, solidifying their industry leadership. Additionally, GenAI helps analysis of extensive datasets, identifies key operational efficiencies and trends, redefining industry best practices. This evolution leads to enhanced resource management, optimised performance, and a significant boost in productivity, propelling companies toward more sustainable and innovative operational models.

➤ **Leveraging knowledge and skills for strategic advancement**

At the heart of transforming practices, the strategic integration of real-time data and advanced training programmes play a crucial role. To foster a culture of digital literacy, by utilising their own centres of excellence, companies utilise industry-specific knowledge and insights, enhancing decision-making and strategic planning. These hubs, which leverage up-to-the-minute information, allow businesses to remain agile and proactive in their sectors. Beyond organisational strategies, GenAI is instrumental in enriching the workforce. It facilitates access to training and continuous learning opportunities, helping employees master new technologies and industry trends. This not only elevates individual performance but also aligns team capabilities with evolving business demands, ensuring the entire organisation is equipped to drive forward and achieve corporate success.

➤ **Optimising operations to sharpen strategic focus**

With GenAI, routine tasks are automated and project management processes are streamlined, enabling companies to focus more on strategic growth and client relationships. This shift in focus from daily operations to long-term strategic initiatives marks a significant leap towards higher productivity and better business outcomes.





Way forward



Way forward: The strategic roadmap for transformation

The strategic roadmap for transformation leaders is clear: Harnessing the power of digital technologies, including GenAI, to navigate critical milestones effectively. From establishing clear strategies to ensuring data availability and quality, digital technologies offer agile and scalable approaches to overcoming obstacles. By streamlining governance processes, optimising resource allocation, and enhancing operational efficiency, digital technologies become strategic enablers for transformation initiatives.

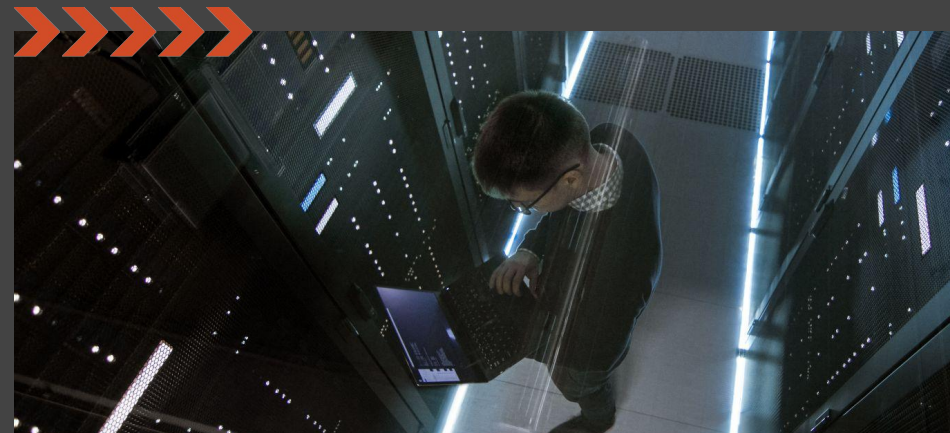
To leverage digital technologies as accelerators for business transformation, executives must prioritise strategic actions.

- Invest in cutting-edge digital infrastructure: Build a robust foundation for innovation and connectivity. Ensure that this infrastructure is designed for seamless system integration and flexibility, enabling it to scale capabilities and bandwidth to meet future demands.
- Foster digital literacy and innovation: Implement comprehensive training programmes and encourage experimentation to cultivate a culture of digital fluency. Harness the power of AI, automation, and data analytics to enhance operational efficiency, decision-making, and unlock growth opportunities.

- Foster partnerships: Collaborate with leading technology providers to stay abreast of emerging trends and technologies.

- Continuously refine digital strategies: Regularly assess and adjust digital strategies to stay aligned with evolving business objectives and market conditions.

By embracing digital technologies as transformation catalysts, organisations can position themselves for sustained success in today's rapidly evolving digital landscape.





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