

BUSINESS SURVEY 2017

Digital transformation of industries: broad basis, multiple barriers

Executive summary

In the past years, the digital transformation of business and society has moved into the public spotlight. The expectation is that it will drive growth and productivity and ensure future competitiveness in a globalised environment. It is therefore encouraging that many businesses are tackling this issue and investing in their digital transformation. Large enterprises and enterprises in wholesale and foreign trade are blazing the trail in developing a digital presence. Further digital progress is being hampered by multiple and sometimes specific barriers. The individual survey results:

1. A large portion of businesses – 42% – have scheduled digital transformation projects for the next two years. Another 25% have not yet made a final decision. Only one third rule out digital transformation projects for this period. The precursors are large enterprises (with turnover in excess of EUR 50 million), 80% of which have scheduled digital transformation projects, as well as enterprises in wholesale and foreign trade (67% of which have firm plans for projects).

2. In 90% of businesses (with firm plans for digital projects) the force driving transformation is the desire to harness opportunities offered by digital technologies and applications. By contrast, significantly fewer businesses perceive a demand for corresponding products and services from end consumers (33%) or (distinct) competitive pressure in the market to embrace digital change (24%). Even fewer (18%) cited pressure to go digital (for the time being) as a way of accounting for their integration into value chains.

Overall, 36% of businesses planning digital projects reported taking measures in response to end

consumers' demands, competitive pressure, or requirements originating in the value chain.

3. The high level of awareness among businesses of the importance of digital transformation is also illustrated by the fact that only 23% see no need for (further) digital measures. Most of them – 35% – are small enterprises.

4. The four barriers to digital transformation businesses cited most frequently were difficulties in adapting their organisational structure and work organisation, data protection/privacy requirements, lack of in-house IT competences/availability of IT skills in the labour market, and the inadequate quality of their internet connection. With 28 to 33% of mentions, these aspects were cited as barriers to digital transformation with similar frequency. Only 19% of the businesses surveyed see no barriers within the company.

The survey was conducted for the 16th time among enterprises of all size classes, sectors, legal forms and regions. In addition to "credit access", the traditional topic, the current survey wave included a block of questions on digital transformation for the first time. Nearly 2,100 businesses from 18 trade and regional associations took part in the survey. It was conducted between December 2016 and mid-March 2017. The present report presents the findings relating to the topic of digital transformation.

The findings on the topic of credit access will be released shortly. ■