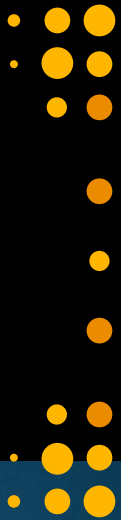


Tech Strategy & AI survey



pwc



Introduction

As technology continues to reshape industries, organisations are developing strategies to stay competitive and drive growth in an increasingly digital world. In our PwC Tech Strategy and AI report, we delve into the strategic priorities of CIOs and Technology Leaders in Belgium, examining the challenges they face and how they plan to adapt. With pressures ranging from managing legacy systems to adopting AI and other emerging technologies, these leaders are tasked with balancing business needs, innovation, operational efficiency and security - all while navigating budget constraints and high stakeholder expectations. The stakes have never been higher.

As well as that, the report addresses the views of CIOs and Technology Leaders on critical topics such as artificial intelligence (AI) and environmental, social and governance (ESG), which are playing an increasingly important role in long-term decision-making. By exploring how Technology Leaders are navigating these and other critical issues, this report provides valuable insights into the evolving landscape of technology strategy and transformation.



Strategic priorities and operational challenges

CIOs and tech leaders today face a dual mandate: addressing strategic priorities while managing operational challenges. Discover the key focus areas shaping their agendas, from strengthening cybersecurity frameworks to integrating advanced technologies, as they navigate complexities and drive their organisations toward sustained innovation and efficiency.

What's on the CIO's strategic agenda for the next 5 years?



71% of CIOs and Technology Leaders state that operational efficiency is their top strategic priority for the next 3 to 5 years.

As CIOs and Technology Leaders plan for the next three to five years, their main focus is on streamlining operations (71%) to reduce costs, with process automation and optimisation being the preferred methods. By optimising business processes, they aim to do more with fewer resources - a trend that has been around for years. However, this time around, the conversation is not just about cutting costs - it's about preparing the business to operate with more agility and resilience in a volatile world.



That's why organisations are increasingly investing in embedding new technologies into their business processes to boost efficiency and drive innovation (54%), and to improve the resiliency and agility of the application landscape (also 54%). They are rethinking how they operate and deliver value to customers. This tech-forward thinking also aligns with their focus on harnessing data analytics for informed decision-making and competitive advantage (49%).

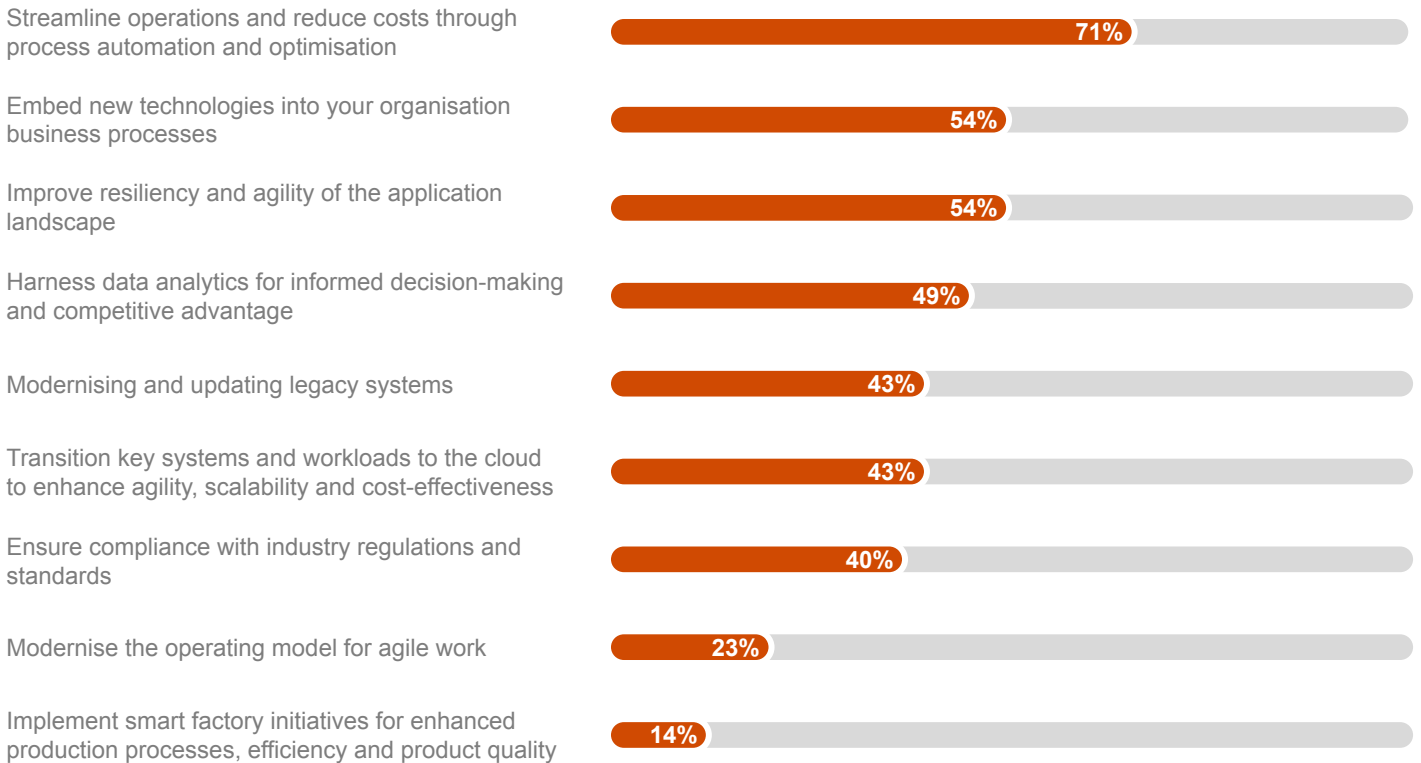
Modernising and updating legacy systems (43%) and transitioning key systems and workloads to the cloud to enhance agility, scalability and cost-effectiveness (43%) are identified as next priorities on the agenda. Compliance (40%) remains a concern as well, as businesses need to keep up with regulations like GDPR¹ and CSRD², ensuring they balance innovation with meeting legal requirements.

Together, these priorities paint a clear picture: CIOs are leading their organisations through a period of profound change. They are no longer merely IT managers focused solely on operational costs, but are shaping the future of business by aligning technology with strategic objectives. The result? Organisations that are not only more efficient but also more innovative, adaptive and resilient in a fast-changing digital landscape.

1 General Data Protection Regulation

2 Corporate Sustainability Reporting Directive

As you think about your company's technology strategy over the next three to five years, what is your company's top strategic priority? (Please select your top three.)



The foremost challenges on the CIOs radar



97% of CIOs and Technology Leaders indicate that cybersecurity breaches and data privacy concerns are a major challenge.

When asked about challenges, CIOs and Technology Leaders identify cybersecurity breaches and data privacy issues (97%) as their top concern, driven by rising cyber-attacks and increasing complexity of data breaches, which pose severe financial and reputational risks. Closely linked to this is the challenge of data governance (91%), including concerns around data quality, privacy and security, further highlighting the interconnectedness of security and data management.



As companies continue to digitise operations, protecting sensitive information becomes a top priority as well, especially with more compliance requirements (88%) and tighter regulations like, for example, GDPR and CSRD.

While operational efficiency remains the primary strategic priority for CIOs and Technology Leaders, it presents significant challenges as well. Over 90% of organisations report difficulty in transforming their operating models, including business processes and change management, to align with new visions. This often requires revamping existing models to integrate new technologies and meet customer expectations — a daunting but critical task for successful digital transformation. Similarly, adjusting to evolving customer expectations (83%) is a major obstacle, as businesses need agile technology strategies to adapt to shifting market demands.

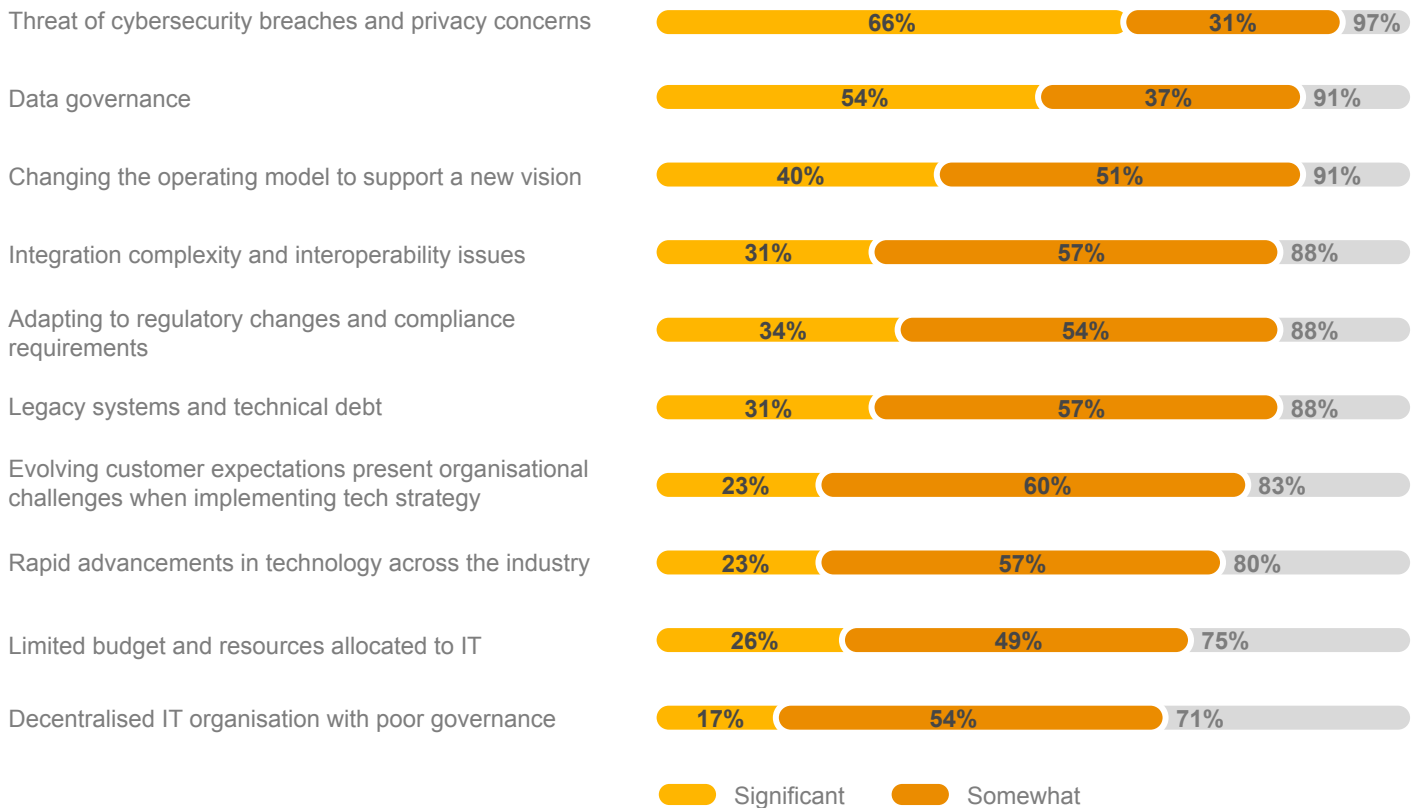
Many organisations (88%) tend to struggle with integration complexity and interoperability as they adopt diverse technologies that must work seamlessly together. This challenge is compounded by the need to ensure that different systems, often from various vendors, can communicate and function cohesively.



The presence of legacy systems and accumulated technical debt (88%) further hinders agility and innovation. These outdated systems can be incompatible with newer technologies, making modernisation a high priority.

Keeping up with rapid technological advancements (80%), while managing budget constraints (75%), remains challenging as well. Balancing innovation with budgetary limits is a significant struggle despite technology's critical role in business success. However, IT budgets are experiencing an upward trend.

As you think about your technology strategy over the next three to five years, to what extent do the following pose a challenge?



The CIO's short-term game plan



Only 12% of CIOs and Technology Leaders tend to invest in technology to monitor and steer ESG performance in the short term.

Wondering what CIOs and Technology Leaders are prioritising to supercharge their digital capabilities over the next 12 to 18 months? Strengthening cybersecurity (73%) tops the list, reflecting the ongoing challenges faced in protecting sensitive data amidst rising cyber threats. They understand that robust data protection and threat mitigation are crucial for the success of digital initiatives, making cybersecurity more than just a compliance requirement, but a trust enabler in a digital ecosystem.

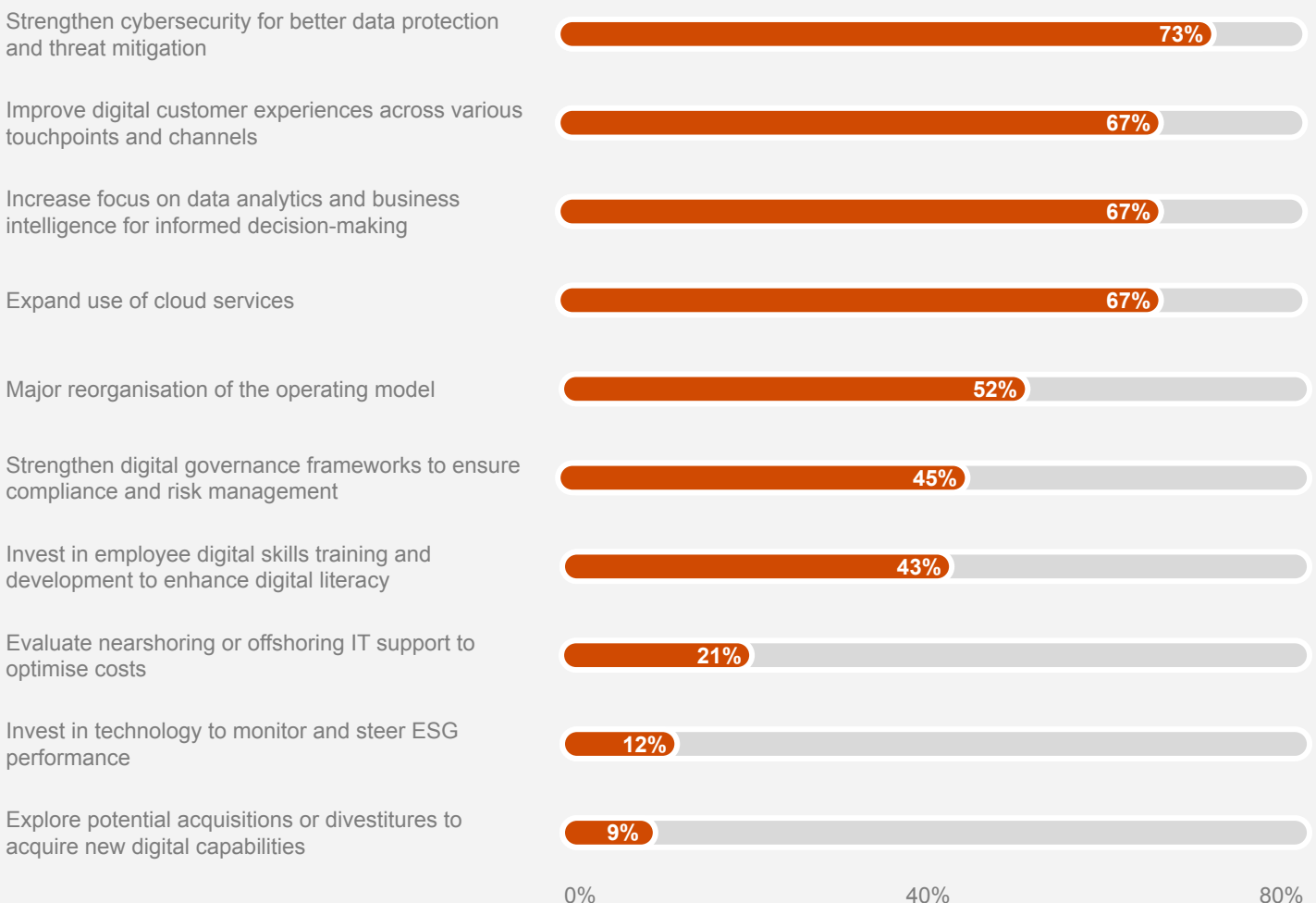
Customer experience, data-driven decision making and use of cloud services (67%) collectively occupy the second spot, underscoring the growing expectation for businesses to stay agile, scale efficiently and deliver personalised digital interactions. This aligns with the broader trend of customer-centric digital transformation, where technology investments aim to create seamless experiences that drive customer loyalty and revenue growth.

To further support digital transformation, organisations are also focusing on other important aspects. For instance, reorganising the operating model to better align with digital initiatives (52%), strengthening digital governance frameworks to ensure compliance, manage risks and build trust in their digital processes (45%) and investing in employee digital skills training to enhance the digital literacy of their workforce (43%), ensuring employees are equipped to leverage new technologies and adapt to evolving digital demands.

Outsourcing (21%), ESG technologies (12%) and acquisitions and/or divestitures (9%) are less central in the digital agendas of most organisations. Despite increasing ESG reporting requirements, organisations are making minimal investments for regulatory compliance while deferring larger investments to align with their ESG strategy and other IT investments and transformations.



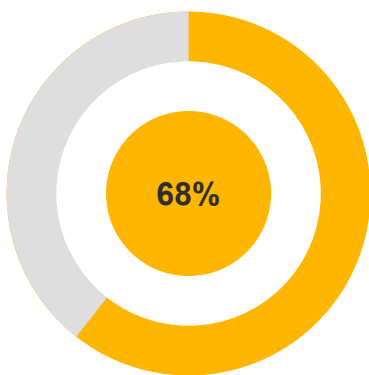
As you look into the next 12 to 18 months, which of the following changes are you making to improve your digital capabilities? (Please select all that apply.)



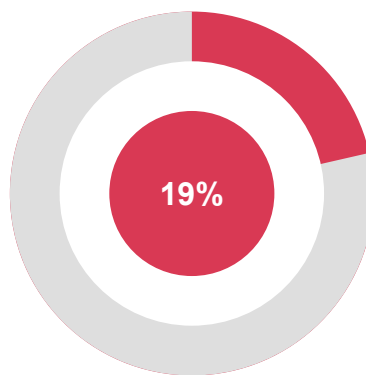
IT budgets are on the rise

Despite ongoing budget constraints and uncertain economic conditions on the horizon for organisations, CIOs and Technology Leaders are witnessing a positive trend in their IT funding. Over two-thirds of surveyed organisations report increased IT budgets. This shift underscores the growing recognition of technology as a key enabler for business success in an increasingly competitive global marketplace. Budget increases are driven by the need to invest in digital transformation, bolster cybersecurity, enhance data analytics for informed decision-making and adopt emerging technologies to improve operational efficiency and maintain competitive advantage. These investments are essential not only for operational efficiency but also for fostering innovation, supporting hybrid and remote work models and responding to shifting customer demands.

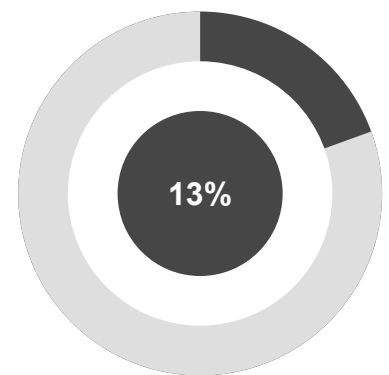
What has been the trend of your organisation's IT budget over the past years?



Increasing



Stable



Decreasing



Artificial intelligence (AI)

For years, organisations have strategically prioritised the integration of emerging technologies like RPA, chatbots, Machine Learning and IoT, and the results show that this remains unchanged today. (Generative) Artificial Intelligence (GenAI) has surged to prominence as a pivotal and transforming innovation, capturing widespread adoption and attention. (Gen)AI is transforming the business landscape, driving innovation, enhancing decision-making and optimising operations. The focus has shifted to the strategic implementation of AI, ensuring it fosters business growth while tackling challenges related to ethics, data management and sustainable scalability.

The question now is: are organisations ready and willing to fully leverage the potential of AI, and where do they currently stand in this journey?

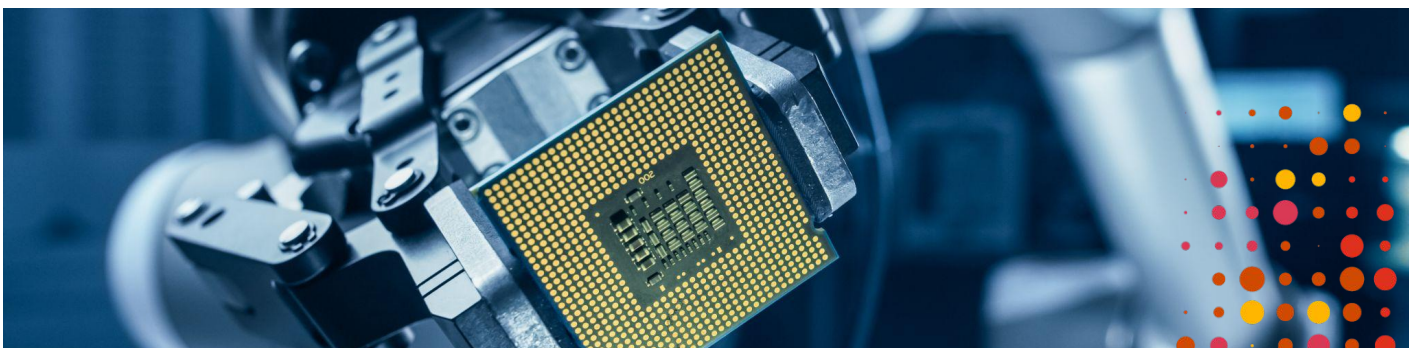
Transforming the business with AI



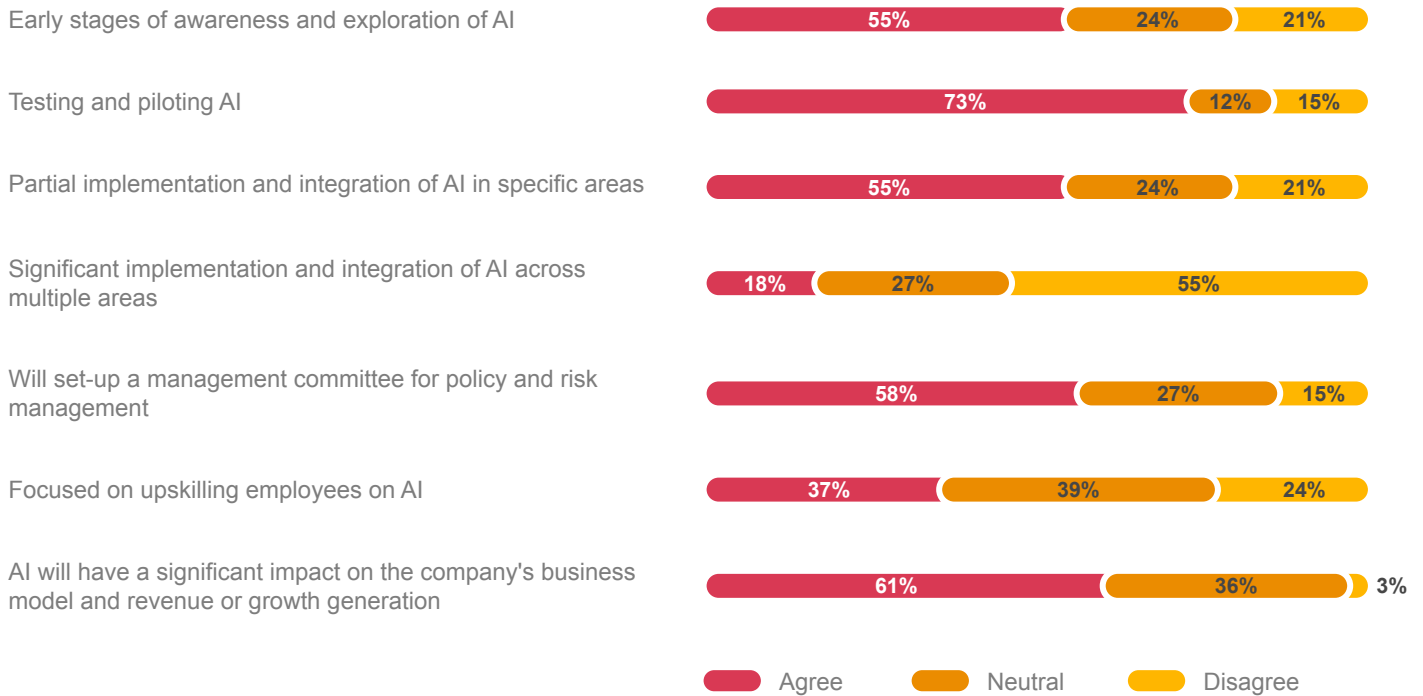
61% of CIOs and Technology Leaders believe that AI will have a significant impact on their company's business model, revenue or growth generation.

AI is no longer just an operational tool, it is becoming a cornerstone for redefining business models and unlocking growth opportunities. Over half of the organisations (55%) still consider themselves to be in the early stages of awareness and exploration. Meanwhile, a substantial 73% of organisations are actively engaged in testing and piloting AI solutions, with 55% already advancing to implementing and integrating AI in targeted areas. However, only 18% report undertaking significant, organisation-wide AI implementations and integrations, underscoring the complexities and challenges associated with scaling AI initiatives beyond initial, localised efforts.

While AI offers vast opportunities for innovation and growth, it also presents significant challenges related to governance, scalability, workforce readiness and the skills gap. More than half of the organisations (58%) recognise the importance of establishing a management committee for policy and risk management. Despite the critical nature of workforce readiness, only 37% of organisations are currently prioritising the upskilling of employees in AI. Navigating these complexities while ensuring responsible AI implementation is a key priority for Technology Leaders today, often resulting in slower progress.



When it comes to AI, how much do you agree or disagree with the following?
(Please select one for each row.)



The data dilemma: are companies fully leveraging it?



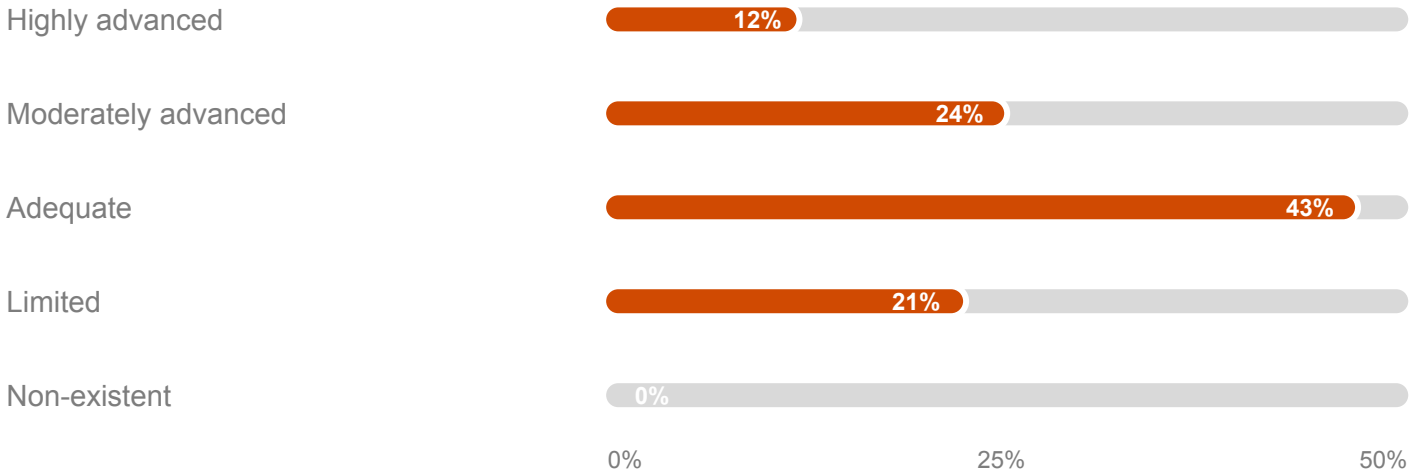
Less than 12% of organisations claim their organisation is fully leveraging data for decision making.

With the widespread adoption of GenAI, differentiation will come from leveraging your unique data and expertise. By tailoring models to your specific data, you can create distinct products, services and experiences. This demands a revamped architecture and operational framework, featuring an AI-compatible data platform and stringent governance measures.

Currently, only 12% of organisations are effectively leveraging data for decision-making and competitive advantage. Meanwhile, 24% have initiatives in place but recognise the need for improvement. Another 43% view data as important but struggle with consistency across different departments. Lastly, 21% place minimal emphasis on data valorisation, underscoring a gap in realising the strategic value of data.

Digital transformation requires a strong data foundation and organisations excelling in data valorisation are more inclined to invest in AI, advanced analytics and cloud technologies, empowering faster, smarter decision-making. Meanwhile, those lagging behind risk being outpaced in an increasingly innovative market. Organisations must assess their data maturity and implement strategies to close the gap, ensuring they harness the full potential of their data to drive growth and innovation.

How do you perceive the level of data valorisation within your organisation?
(Please select one)



Scaling AI for competitive edge



21% of organisations report extensive AI adoption, while the majority remain in early or pilot phases, indicating significant untapped potential.

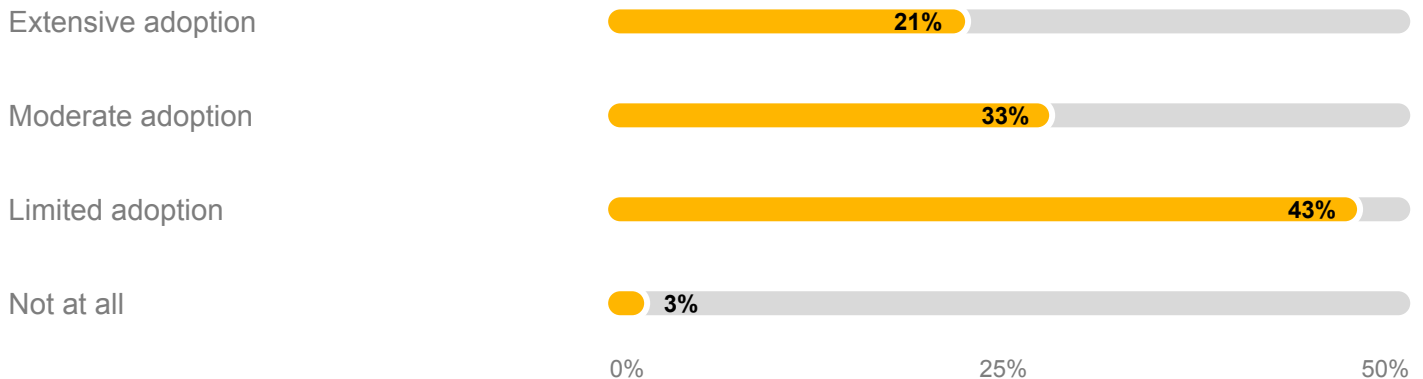
For businesses, AI presents both challenges and opportunities. While 21% of organisations are already fully leveraging AI to boost efficiency, innovation and customer experience, the majority (76%) have started to adopt AI, but are struggling with scaling. Issues like integrating AI with legacy systems, managing data quality and upskilling employees are common hurdles. As only 3% of organisations are not yet embracing AI, it indicates widespread recognition across the industry.

Despite the above mentioned challenges, the gap between limited and extensive AI use highlights a competitive edge for those who can move beyond experimentation.

As AI advances and data-driven decision-making becomes essential, organisations that scale AI effectively could lead the way in future growth and innovation.

CIOs and Technology Leaders are now tasked with creating long-term AI strategies that align with business goals, balancing rapid adoption with managing risks like governance and ethics. Those who can transition from pilot projects to full AI integration will unlock new revenue streams and remain competitive in a rapidly digitalising world. The race to capitalise on AI's potential is on.

To what extent has your organisation embraced GenAI (or AI) services?
(Please select one.)



From content creation to process automation with GenAI



Over 40% of organisations have implemented GenAI for content creation and document translation. Many are actively developing plans to further integrate GenAI, with a focus on task automation, data analysis and chatbots.

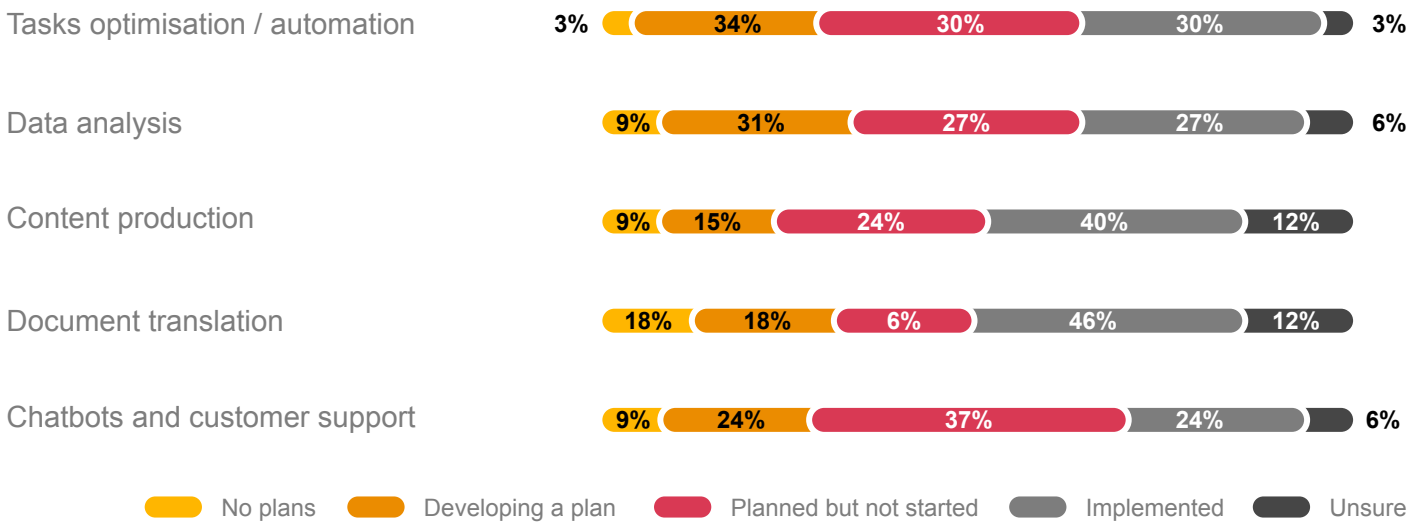
Task optimisation and automation (94%), data analysis (85%), customer support via chatbots (85%), content production (79%) and document translation (70%) are the GenAI use cases that are gaining traction across industries. Many companies are developing plans or exploring implementation strategies.

Document translation (46%) and content production (40%) are the most commonly implemented AI use cases, suggesting that businesses see immediate value in applying GenAI to streamline these tasks. However, other applications, such as task optimisation (64%), chatbots (61%) and data analysis (58%) are mostly in the planning stages, with companies still figuring out the best approach and moment to invest.



These trends highlight the need to balance quick wins in established use cases with long-term strategies for more complex and expensive AI applications. As businesses increasingly adopt AI, the challenge lies in aligning the right infrastructure and talent while ensuring scalability and measurable impact.

To what degree are you considering the use of GenAI in your company?
(Please select one for each row.)



Environmental, social and governance (ESG)

ESG considerations have become increasingly important for organisations across industries. Upcoming regulations, such as CSRD, CSDDD³, CBAM⁴ and EU Taxonomy, require companies to collect and report on a number of data points across the whole organisation. Given the complexity and required effort to embed ESG reporting in the day-to-day operations, it is a good time to take a closer look at how CIOs and Technology Leaders are preparing for and supporting these initiatives through the use of technology.

The results already indicated that only 12% of the participating organisations are planning to invest in ESG technology in the short-term to support mandatory sustainability reporting. The limited investments raise concerns about whether CIOs and Technology Leaders are adequately involved in these discussions. Their involvement is crucial for aligning technology with the overall business and sustainability goals. To ensure organisations are prepared to go beyond mandatory reporting and use technology for day-to-day decision making and steering, business and IT need to work together.

The impact of Technology Leaders on ESG reporting and sustainability



Only 18% of CIOs and Technology Leaders are actively involved in sustainability discussions and initiatives within the organisation.

Although reporting obligations are demanding and constantly evolving for major European companies, not all Technology Leaders are deeply engaged in these discussions. A mere 18% of them are actively steering sustainability discussions and initiatives. Meanwhile, 46% are moderately engaged in a supporting role, 9% are involved solely in technical discussions, 21% have minimal involvement and 6% are not involved at all. This raises questions about whether organisations fully recognise the important role of technology to not only support mandatory reporting, but also as a catalyst for future sustainable growth and steering. The ever rising need for transparency requires a structured approach, enabled by technology.

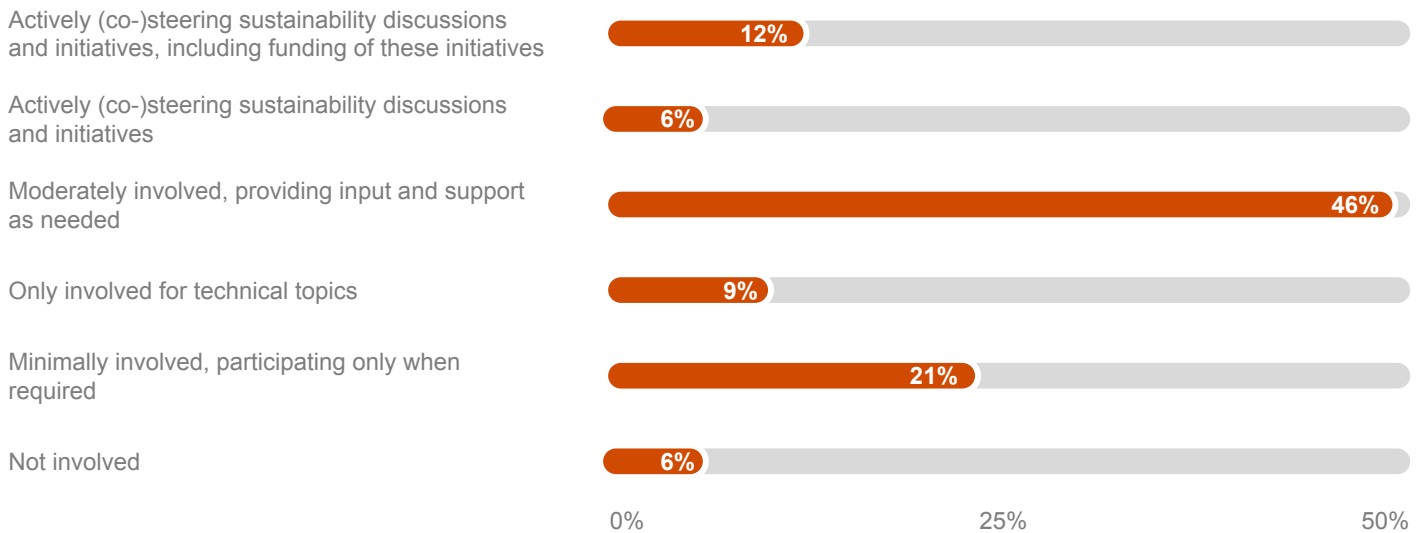
The fact that many CIOs and Technology Leaders are not yet actively involved in sustainability discussions highlights an opportunity for them to play a more significant role in these discussions, especially as technology becomes increasingly vital in driving sustainable outcomes. If organisations truly want to leverage the power of technology, Technology Leaders should adopt a proactive approach to support future sustainable growth.

3 Corporate Sustainability Due Diligence Directive

4 Carbon Border Adjustment Mechanism



To what extent are you involved in sustainability discussions in the organisation?



Preparing for upcoming sustainability reporting requirements



Almost half of CIOs and technology Leaders are either uncertain about their sustainability strategies or have yet to begin preparing.

With more than 80% of Technology Leaders not actively involved in sustainability discussions, it's no surprise that 45% reported being unsure or having taken no action on sustainability initiatives. This gap in leadership involvement highlights a critical disconnect; many organisations may not yet recognise the value that technology can bring to sustainability efforts or may hesitate to invest in necessary technology and software solutions.



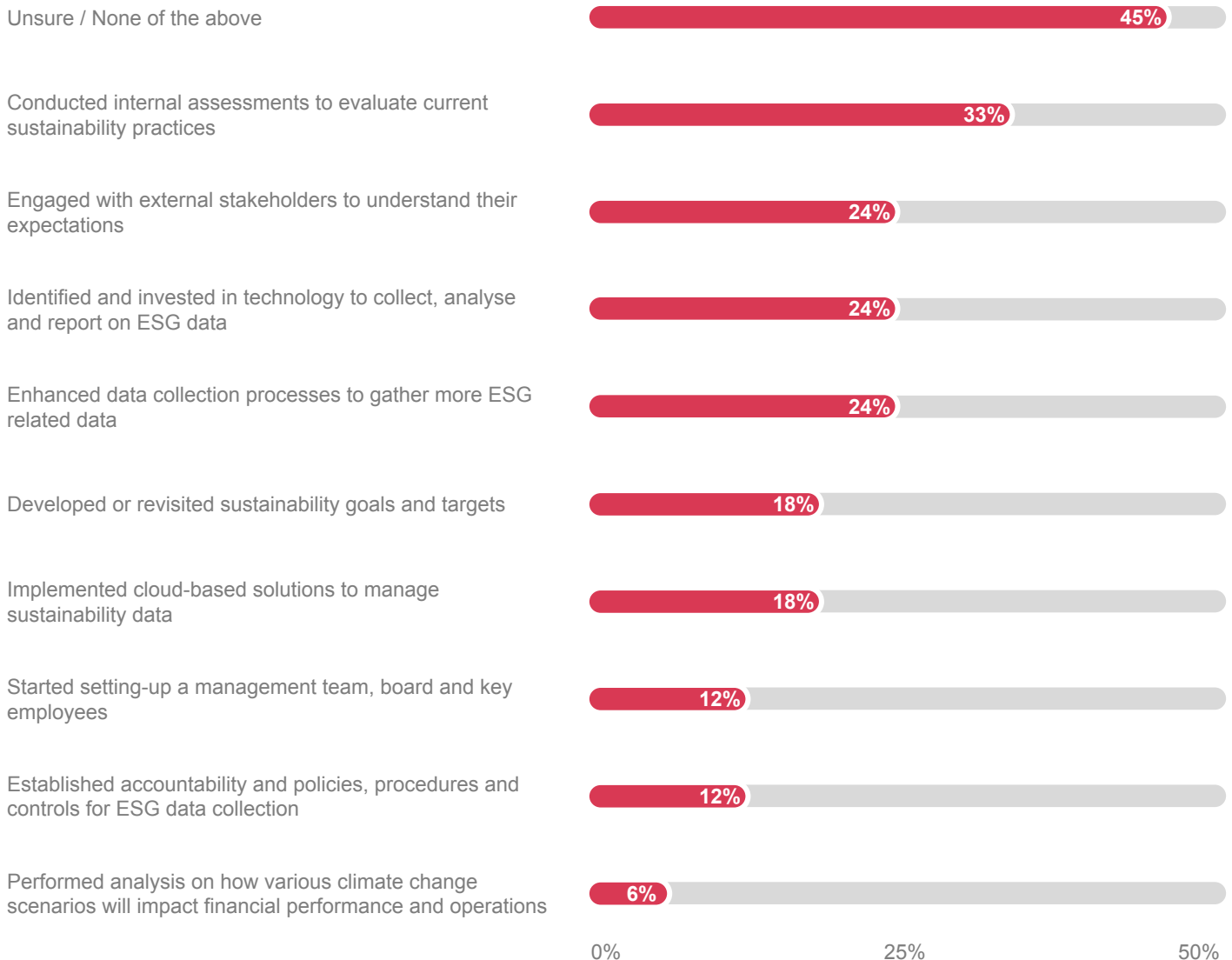
For many organisations, sustainability is still perceived as a future concern rather than an immediate priority, leading to a reactive approach rather than proactive engagement. However, a smaller yet growing number of organisations are beginning to take meaningful steps. One-third of organisations conducted internal assessments to evaluate their sustainability practices, and 24% have engaged with stakeholders to better align their ESG strategies.

Although some companies (24%) are already investing in technology-driven solutions for sustainability and/or enhancing their data collection processes, the reluctance of others underscores a significant divide.

As environmental pressures mount, those who remain on the sidelines may soon find themselves playing catch-up in a rapidly evolving business landscape. Mandatory compliance is only the starting point. Stakeholders and shareholders will request increasing transparency into the organisation's operations.

Only 18% of respondents have implemented cloud-based solutions for managing sustainability data and, therefore, the majority still rely on outdated methods for data management, while another 18% have revisited sustainability goals to align with reporting requirements or have established management teams for ESG accountability. Additionally, only 12% have started to set-up a dedicated management team and board for ESG or have formalised governance for data collection. These low engagement levels underscore the urgent need for organisations to improve their approach to sustainability and responsiveness to the critical environmental challenges of our time.

In light of upcoming sustainability reporting requirements (e.g. CSRD), how is your company preparing for increased sustainability reporting and transparency?
(Please select all that apply.)



Challenges for organisations in their ESG reporting journey



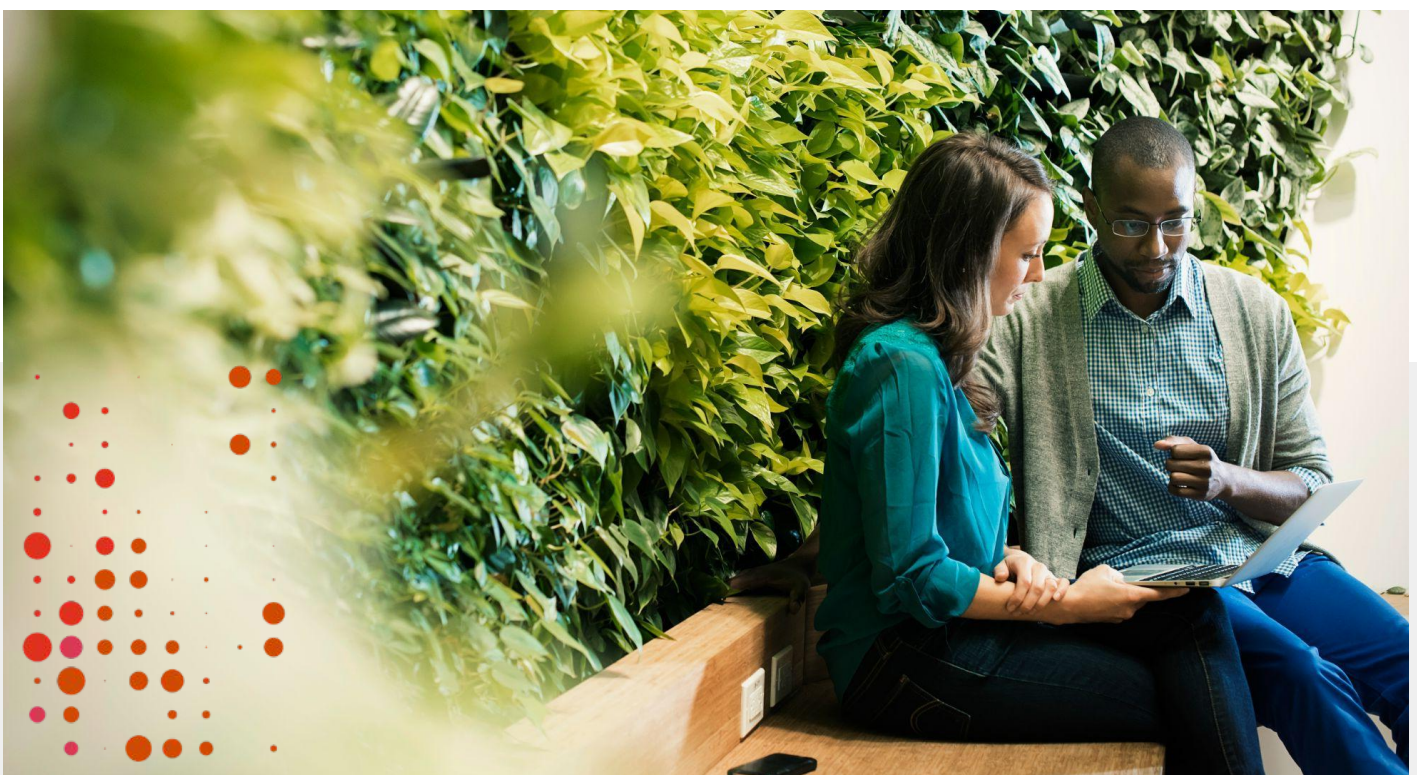
1 out of 3 organisations struggle with reliable ESG data collection.

Whereas 15% of organisations don't seem to face any challenges in their ESG reporting and digitisation efforts, various factors are holding back the efforts of the other 85% of organisations.

The biggest challenge is the lack of available or high-quality data for effective ESG monitoring and reporting (30%). Often the sustainability leaders can be seen as the “spider in the web”, connecting all the dots. However, it is the responsibility of the business to collect and provide qualitative and usable ESG data. While companies have become skilled at collecting financial data, it remains a significant hurdle to gather accurate non-financial data, especially from diverse stakeholders across the value chain.

More and more specialised tools and solutions are designed to assist in the collection, analysis and reporting of ESG data, but it seems the full potential is not being leveraged yet.

Almost one-quarter of organisations (24%) struggle with a lack of in-house expertise and resources for effective ESG digitisation. A lot of the ESG software modules that are being released are brand new, and it can be a challenge to find skilled people on the job market, forcing companies to look for external support to ensure the necessary knowledge sharing to become independent in the future.

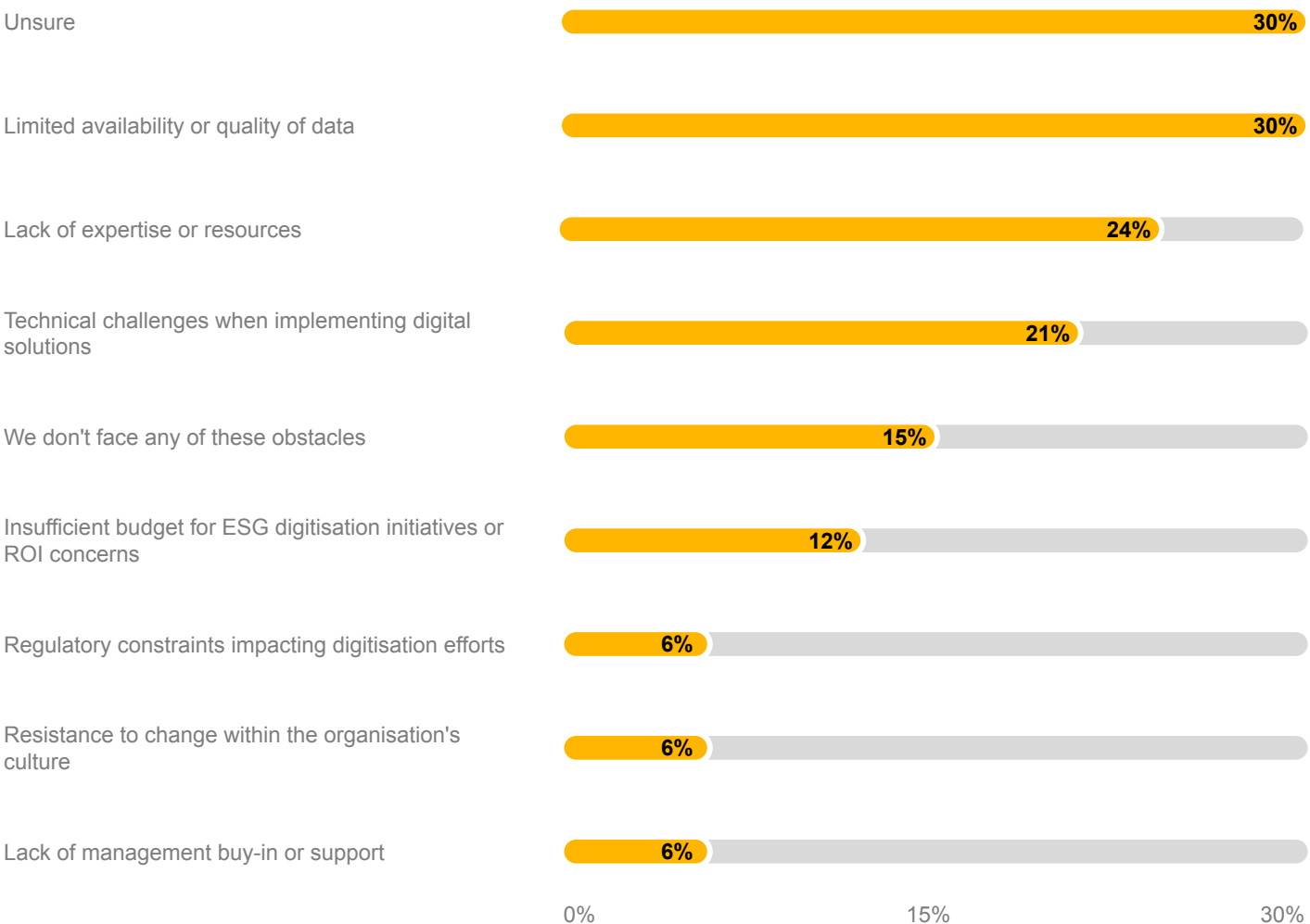


At the same time, 21% of organisations grapple with various technical challenges when trying to implement new digital solutions. These challenges include integrating ESG solutions within the existing IT landscape and ensuring data accuracy and reliability, all while managing cybersecurity risks. Additionally, 12% of organisations do not receive sufficient budget allocations or have concerns about the return on investment (ROI), as this is often seen as a mandatory exercise without immediate tangible benefits. Limited funding can restrict the scope and scale of ESG projects, making it difficult to achieve meaningful progress.

The least cited challenges by organisations were regulatory constraints, resistance to change and a lack of management buy-in, with only 6% highlighting these obstacles.

Interestingly, the fact that 30% of Technology Leaders are unsure about the obstacles hindering ESG progress highlights a recurring theme in the results: their limited involvement in ESG discussions within their companies. This suggests that a more integrated approach, where CIOs and Technology Leaders take a more active role in ESG strategy, could help organisations tackle these challenges more effectively, leading to true sustainable growth.

What are the main obstacles hindering the advancement of digitising ESG monitoring and steering in your organisation? (Please select all that apply.)



Conclusion

It is clear that the role of CIOs and Technology Leaders in Belgium is evolving. They are navigating a complex landscape, balancing the need for operational efficiency, innovation and security while facing challenges like cyber- security threats, data governance and legacy systems. The shift towards AI and data-driven decision-making highlights the strategic importance of technology in driving business transformation with more and more organisations jumping on the AI train. However, ESG technology initiatives often remain on the sideline, with many CIOs and Technology Leaders not yet actively participating in sustainability discussions and initiatives. This presents a significant opportunity for deeper engagement, as mandatory compliance is merely the starting point.

In conclusion, CIOs and Technology Leaders are no longer merely managing IT and operational costs; they are becoming more and more pivotal in shaping the future of their organisations. By aligning technology with strategic objectives, they are fostering environments that are not only more efficient, but are also more innovative, adaptive and resilient. Nonetheless, there is still ample opportunity for CIOs and Technology Leaders to become more involved in various aspects of the business, thereby amplifying their overall impact.



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