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Insight Driven Organization Survey | 2022

The Maturity Level Of Italian
Companies In Using Data And
Artificial Intelligence





“Distress not yourself if you cannot at first understand the deeper mysteries of Spaceland. By degrees they will dawn upon you.”

Edwin A. Abbott, Flatland: A Romance of Many Dimensions

Contents

Data and Artificial Intelligence to Meet New Market Challenges	4
Insight Driven Organization and Maturity Model	6
Investments and Strategies to Become Insight Driven	8
The Importance of Engaging and Retaining Talent	10
Embedding Value-Creating Initiatives in Business Processes	12
Artificial Intelligence: a Crucial Lever for Businesses	14
Reliability, Governance, and Accessibility of Data	16
Technology Ecosystems Getting Closer to the Business	17
What's Next?	18

Data and Artificial Intelligence to Meet New Market Challenges

To understand to what extent and how companies are leveraging data to improve decision-making processes, Deloitte has conducted the **Insight Driven Organization (IDO) Survey** globally, intending to assess the level of maturity of organizations in analyzing data and regarding Artificial Intelligence topics.

This report, written by Deloitte Italy's IDO Center of Excellence, , builds on a template from Deloitte Global and highlights the findings of an analysis conducted on the **Italian market** , making interesting comparisons with the findings in other countries.

The survey covered the most relevant aspects of the transition aspects of the transition leading to "insight-driven" business functions business functions, including the importance of the operating model and **investment** priorities. Special emphasis was placed on analyzing the **most sought-after skills** and the different categories of applications and technology tools adopted.

The survey also highlighted the main **barriers** organizations face, including the availability of suitable professional profiles, as well as establishing **priorities** for initiatives and building appropriate data infrastructures.



Alfredo Maria Garibaldi
AI & Data Country Leader

Thanks to the kind contribution of clients who participated in the survey, we are gaining insight into the evolution of data strategy and the impact of new data sources and technologies on organizations. As is always the case, this effort also provides an opportunity to share our point of view on innovative issues, such as the challenges companies are facing in adopting artificial intelligence-based solutions.

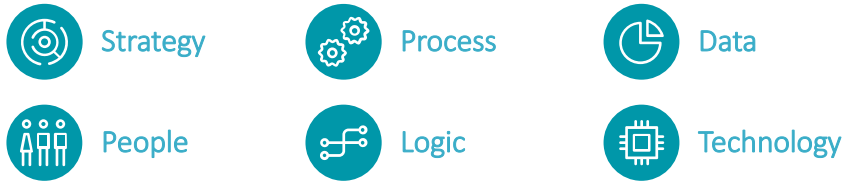
Methodology

The Insight Driven Organization (IDO) Survey was launched in the first half of 2022 simultaneously in 16 countries worldwide.

In Italy, representatives of +100 organizations from different sectors and industries participated in the survey.

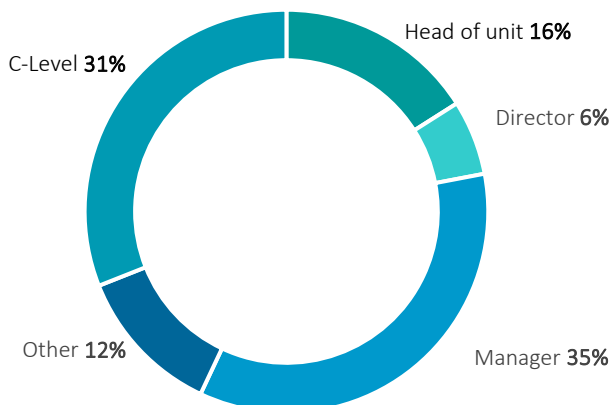
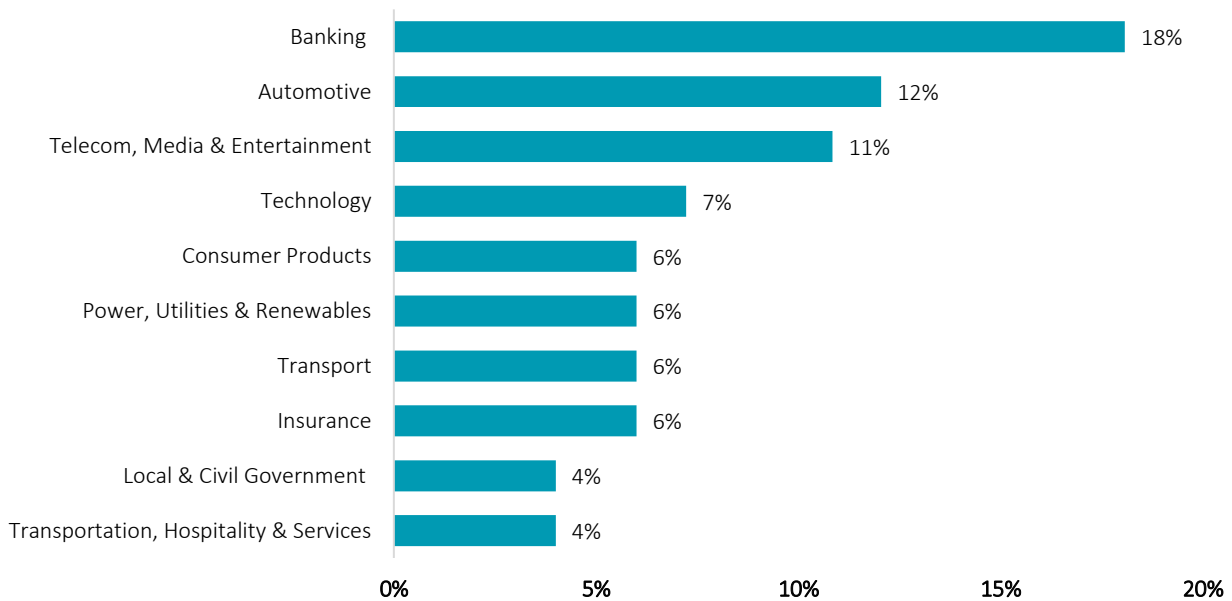
IDO Survey Assessment Model

The survey consisted of 22 questions exploring 6 specific areas:



Survey Demographics

The breakdown by sector of the organizations that participated in the survey shows that Banking (18%), Automotive (12%), and TMT (11%) play a prominent role.



The respondents are all decision-makers on Data Analytics and AI topics; around 1/3 hold C-level positions.

Insight Driven Organization and Maturity Model

What is an Insight Driven Organization (IDO)?

An IDO is an organization that incorporates AI, Analytics, and robust information assets into its decision-making and operational processes. IDOs consider AI and Analytics as essential competencies within their corporate environments that enable them to offer better products and services, automate and increase the reliability of decision-making processes, more effectively address increasingly complex business challenges, and generate new opportunities in their respective market ecosystems.

Why Become an IDO?

Organizing and interpreting data from the outside and within the organization, help generate new value-added insights that promote agile and effective decision-making. Being an Insight Driven Organization has tangible and measurable benefits in supporting strategy development and execution and ensuring monitoring of its effectiveness.



Grow our customer
Loyalty & Profitability



Make the right decision
at the right time



Improve the quality of
your Services & Products



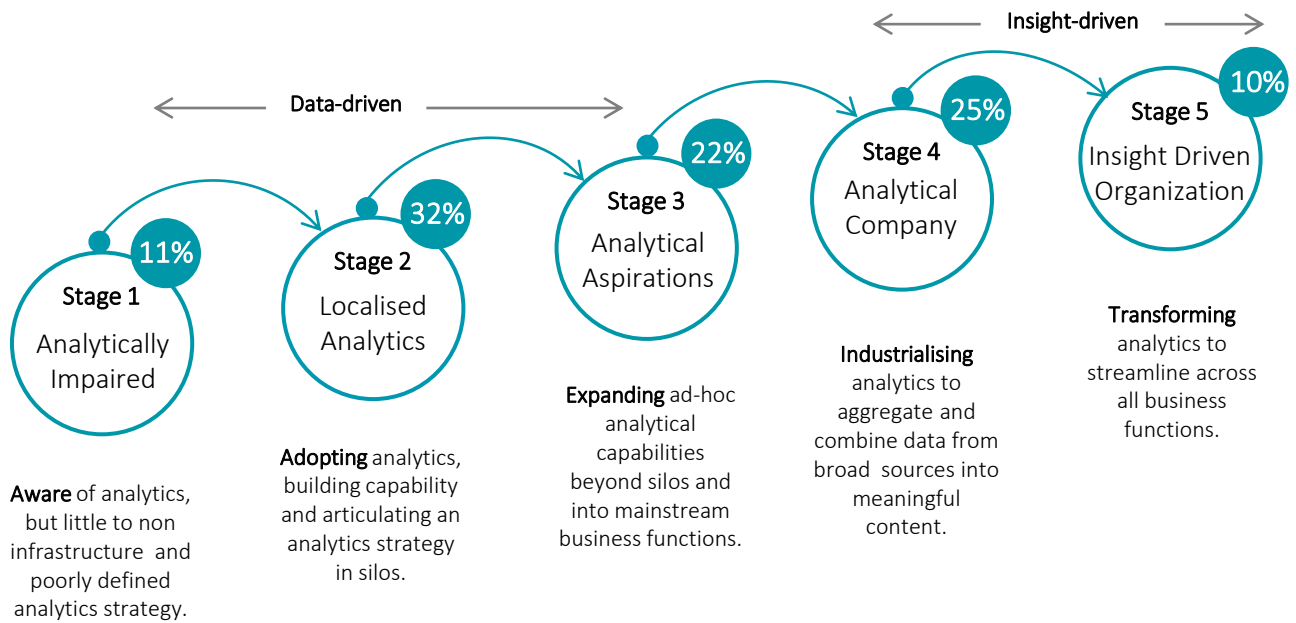
Reduce the Total Cost
of Ownership (TCO)

Deloitte's Maturity Model

To understand the level of maturity around Data, Analytics, and Artificial Intelligence, Deloitte uses a globally established standard methodology that has been fine-tuned over time and is continuously evolving due to multiple experiences with clients. That approach allows for an assessment based on different criteria and parameters that contribute to defining the positioning on the IDO maturity curve.

Level of Maturity of Italian Companies Based on Survey Results

Distribution of Italian companies across the different stages based on an analysis of the survey results.



10% of Italian companies feature capabilities at Stage 5 of the **Insight Driven Organization**. These are organizations capable of leveraging Analytics and Artificial Intelligence cross-functionally and pervasively throughout the company to generate new value and continuously evolve their business.

Stage 1 - **Analytically Impaired** - and Stage 2 - **Localized Analytics** - gather **43%** of respondents. Organizations in these stages are aware of the value of Data and AI (11%) and are embarking (32%) on a strategic path to adopt methods to leverage and enhance their information assets.

The remaining **47%** fall between Stage 3 - **Analytical Aspirations** - and Stage 4 - **Analytical Company**. These companies have realized the importance of data and artificial intelligence; they are steadily increasing their exploitation of Analytics (22%) and making Analytics more pervasive and effective (25%) as they evolve their business.

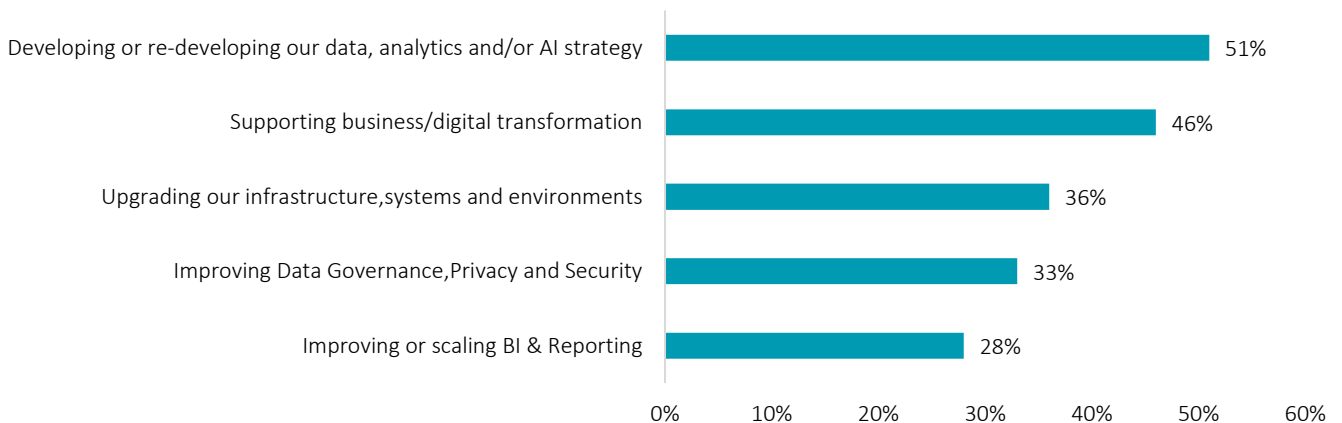


Investments and Strategies to Become Insight Driven

The survey has revealed that most Italian companies plan to **invest in Analytics and Artificial Intelligence in the next 12 months**. However, to best drive the transformation and evolution, organizations need to define a smooth and organized evolution path that will allow them to meet the short, medium, and long-term strategic objectives in a manner that is proportionate to their initial state and the optimal target level they want to achieve.

Over **50%** of respondents identified developing and adjusting strategy around Analytics and AI as an investment priority. A high number of respondents, **46%**, recognized the need to invest in Data, Analytics, and AI in the coming year to support Business/Digital transformation.

Top 5 areas of investment in Data, Analytics, and AI over the next year (multiple-choice answers)



Companies have realized the importance of setting a clear vision so as to focus investment on activities aimed at achieving strategic goals.

36% of the companies surveyed **recognize technology investment at an infrastructure and application level as a priority**. Therefore, evaluating IT investments as enablers in becoming an Insight Driven Organization is crucial for organizations.

Interestingly, investment aimed at improving data quality is considered a priority by a slightly higher percentage of companies (22% vs. 18%) than investment in AI and Machine Learning solutions. Thus, the availability of accurate and reliable data is essential for introducing AI across the organization.

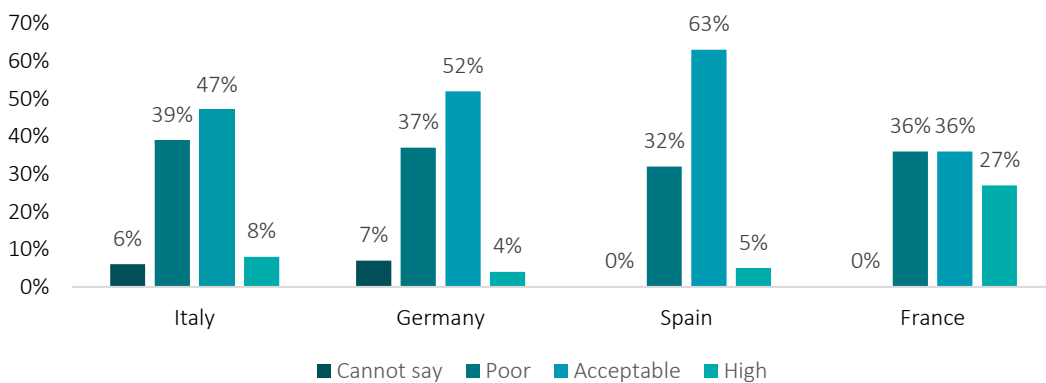
Setting Up for Success Through the Target Operating Model

IDOs view Analytics as a critical element across the organization to provide insights that can support decision-making and address the most complex business challenges. Among the initiatives aimed at improving business competitiveness and the performance of business functions, the ability to create and organize resources supporting Analytics through the adoption of an operating model plays a significant role.

TOM is a business vision model that aligns operational capabilities with strategic goals, considering technology, information resources, internal factors, and external drivers, which, when properly managed and synergized, become an essential trigger for achieving results throughout the value chain.

The survey findings show that most Italian companies' operating model is either poorly (39%) or just sufficiently (47%) adequate to enable and support insight generation.

To what extent is your current operating model able to effectively provide analytical insight?

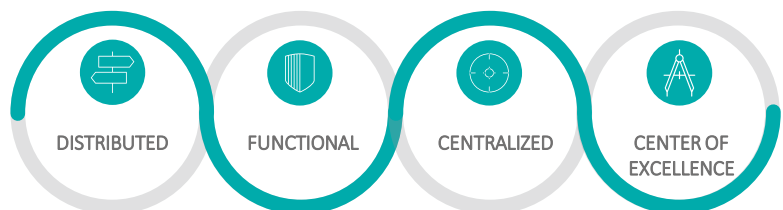


A comparison with other countries shows that Germany (37% Poor, 52% Acceptable) and Spain (32% Poor, 63% Acceptable) present a similar scenario to that of Italy. At the same time, French organizations view the adequacy of their target operating model more favorably: 27% (vs. 8% in Italy) of respondents consider the operating model adopted to be highly effective.

Types of Target Operating Model

An organization can adopt various operating model types - a "one size fits all" approach is not applicable.

The type of business, the market in which the organization operates, its current organizational structure and its corporate culture, and the technology adopted all influence the choice of a specific model. Adherence to one model over another is not permanent over time but changes as the conditions and variables determining it evolve.

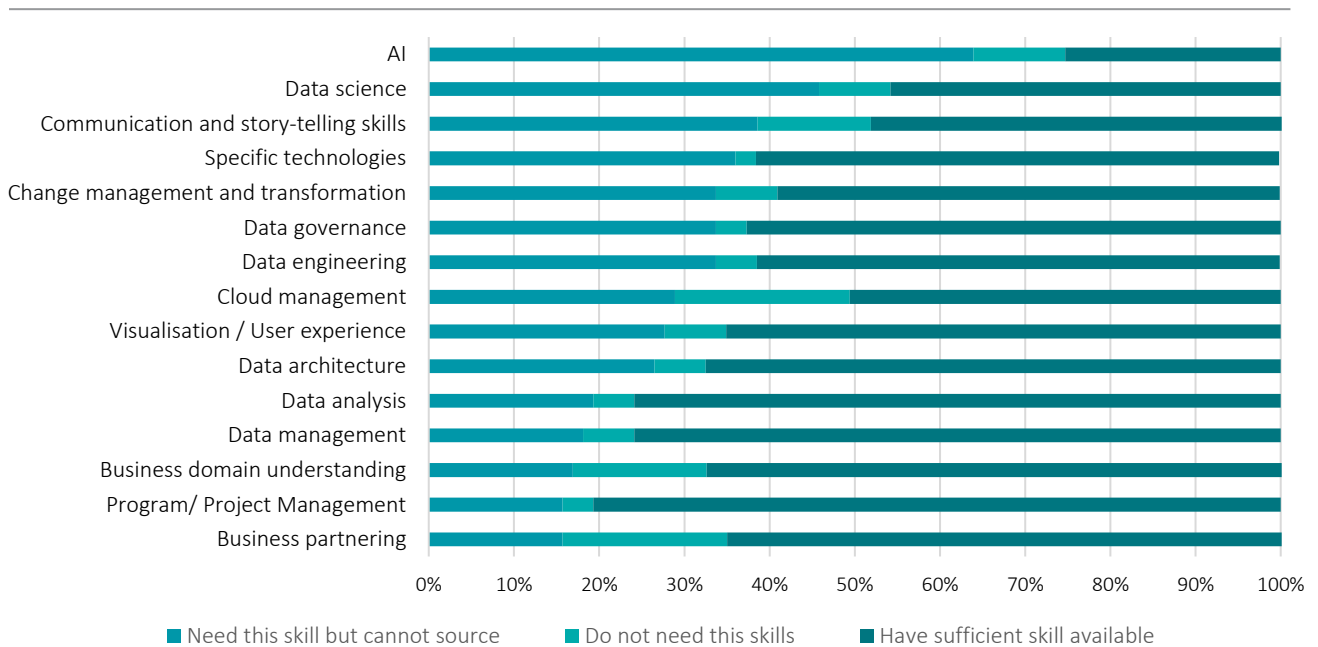




The Importance of Engaging and Retaining Talent

The Italian companies surveyed find it increasingly difficult to secure resources with the right skills and an “insight-driven” culture. That is becoming increasingly noticeable as awareness about the central role of Data and AI increases. Besides lacking the most popular Data Science skills, companies realize that to evolve organically they need to acquire a growing number of additional specific skills - ranging from AI to Data Governance - so as to properly manage in-Cloud solutions and deliver business information and insights effectively.

Do you have the right balance of skills required to deliver effective insight?



The survey results show that most companies face complex challenges when it comes to meeting needs in the AI (64%) and Data Science (46%) areas and in scouting out profiles possessing a combination of technical skills, business skills, analytical skills, and ability in communication and storytelling.

Looking at the results from the **EMEA countries most similar to Italy** in terms of economics/demographics (France, Germany, Spain), also for the latter, AI proves to be the first area where companies acknowledge a lack of skills among their employees. However, the % is lower for Germany in particular (44%), while the figure for France (55%) and Spain (58%) is closer to that of Italy.

Many organizations have initiated work-life balance monitoring and improvement programs as they seek to improve work-life balance, which is often pursued through well-being initiatives. While hiring the right talent is critical, retaining it is vital for organizations.

People Engaged in Analytics

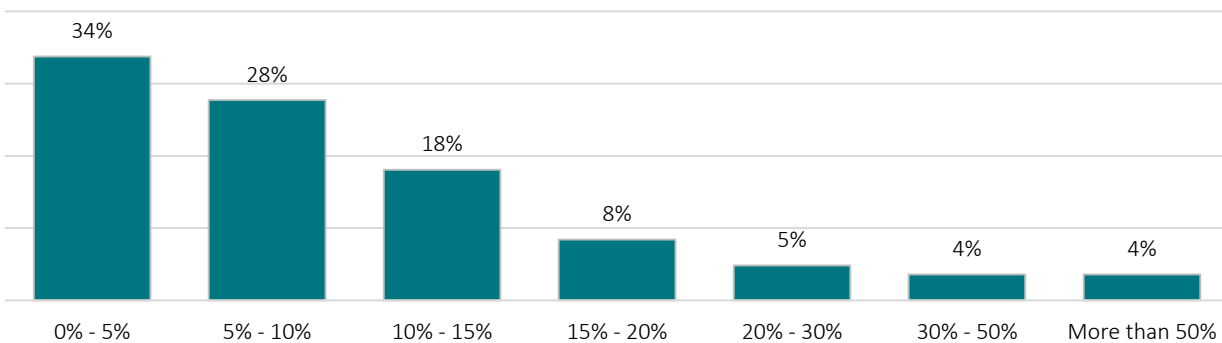
The survey results show that the percentage of resources who currently work using and leveraging Analytics and AI technologies is still small.

The culture of creating value through Data, Analytics, and AI does not yet appear to be fully embedded in the **corporate mission**.

As a result, investment decisions **do not actively engage an adequate number of people** in the organization.

34% of companies interviewed report having less than 5% of their employees working in Analytics, with 28% merely having between 5 and 10% of their workers covering these areas.

As a proportion of total employees how many people are engaged in the creation of insight through data analytics and AI activities in your organization as their primary role?



The Critical Role of Leadership

As a company transitions toward becoming an IDO, ensuring that all those involved maintain high commitment and motivation is one of the most challenging aspects. Leadership plays a vital role in this regard. The key players in charge of change management must integrate domain-specific analytical skills with soft skills. The goals of leaders are to create a feedback-based culture on the one hand and generate a sense of ownership on the other. Feedback is critical as an opportunity for growth, dialogue, and discussion. How it is provided is an equally relevant aspect. On the other hand, creating harmony in a group that overcomes individualism naturally results in inclusiveness, empowerment, and gratitude.



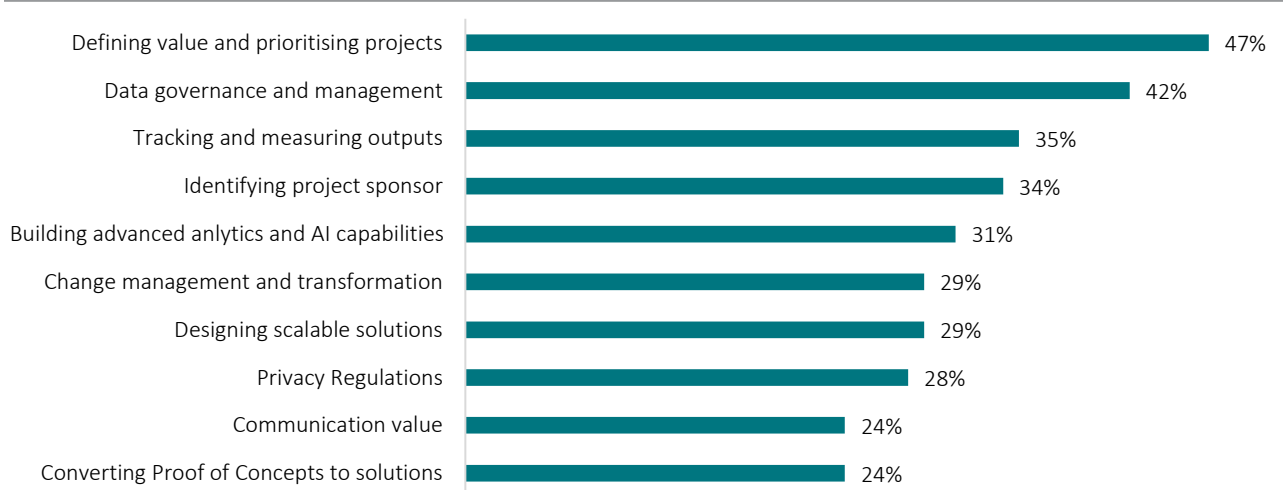
Embedding Value-Creating Initiatives in Business Processes

What value does the next Analytics initiative provide to the company? It is not always easy for companies to answer this question, even considering that the benefits can - indeed must - impact across business functions.

According to the Survey results, the most complex steps that need managing to make a company "insight-driven" are defining the value of initiatives, implementing suitable Data Governance processes, and monitoring and measuring return on investment.

47% say they have difficulty defining the value of initiatives and prioritizing them, but also with measuring return on investment (35%) and finding a sponsor (34%).

Which are the most challenging steps while generating analytical insight?



Among the most common barriers, data governance plays a primary role; 42% of the Italian companies surveyed consider it an obstacle to be overcome for successful initiatives.

In the answers to this question, too, we find feedback that is available elsewhere in the survey, namely the difficulty in building advanced Analytics and AI capabilities.

Shifting the focus to other countries, the option "Defining value and prioritizing projects" remains the highest ranking, being selected by **55%** of respondents, followed by "Change management and transformation" by **41%**, and "Data governance and management" by **38%**.

Thus, transforming a company into an IDO includes identifying and engaging key figures who can define the KPIs for measuring return on investment and steer Analytics initiatives.



Defining value and prioritizing projects

It is vital to associate **value drivers** with each implemented project. Some of these drivers may be new revenue generation, cost reduction, regulatory compliance, skill creation, efficiency gains, risk reduction, and positive impact on society and the environment.



Optimizing the likelihood of success and ROI

A project, although it meets business needs, must be evaluated against the likelihood of success and return on investment. Business functions should fully adopt and leverage analytic solutions to create value through data. Realistic expectations should be set in terms of results, timing, output, and user experience.





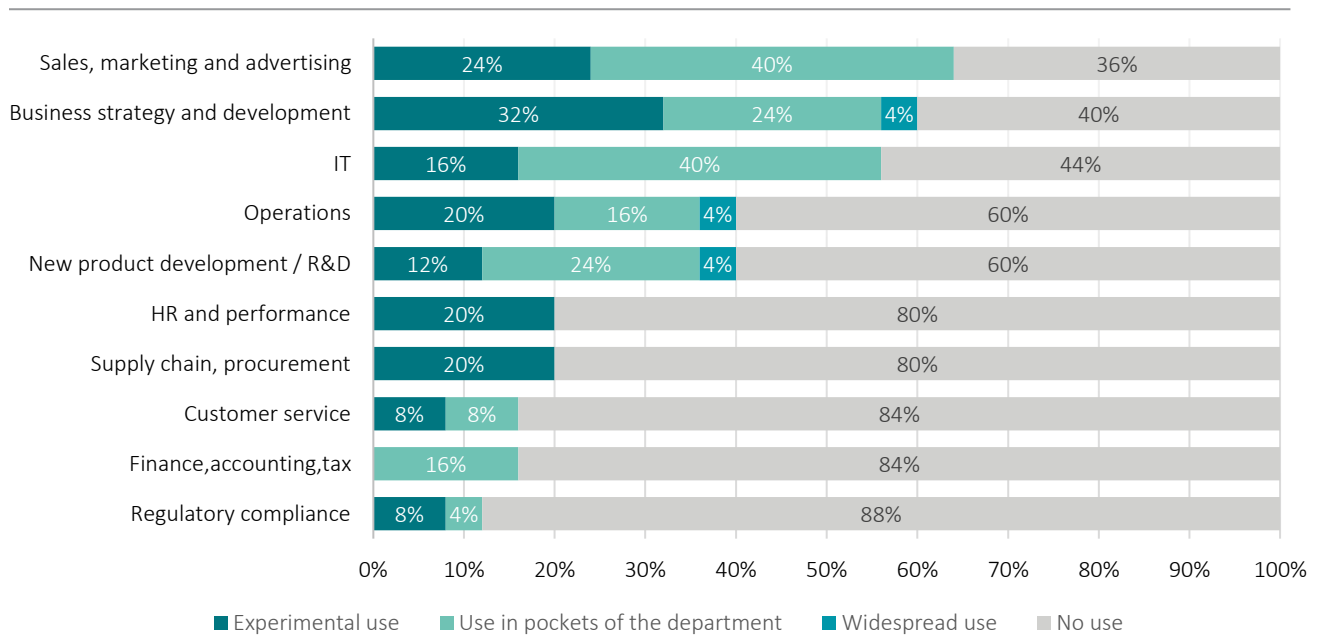
Artificial intelligence: a Crucial Lever for Businesses

Understanding and exploiting AI is an opportunity to maintain the right level of competitiveness and move toward defining new solutions, services, and products. Business organizations need to rethink how they leverage, interpret and present their data in light of the new techniques and approaches introduced by AI. The survey showed that most organizations are not yet structurally prepared to seize this unique opportunity fully.

70% of the surveyed Italian companies have reported that they do not use AI technologies.

The chart below illustrates the distribution by sector and the corresponding level of use for the remaining 30% that reported leveraging AI technologies.

Level of AI use in various business areas



Looking globally, the percentage of companies not using AI drops to about 50%.

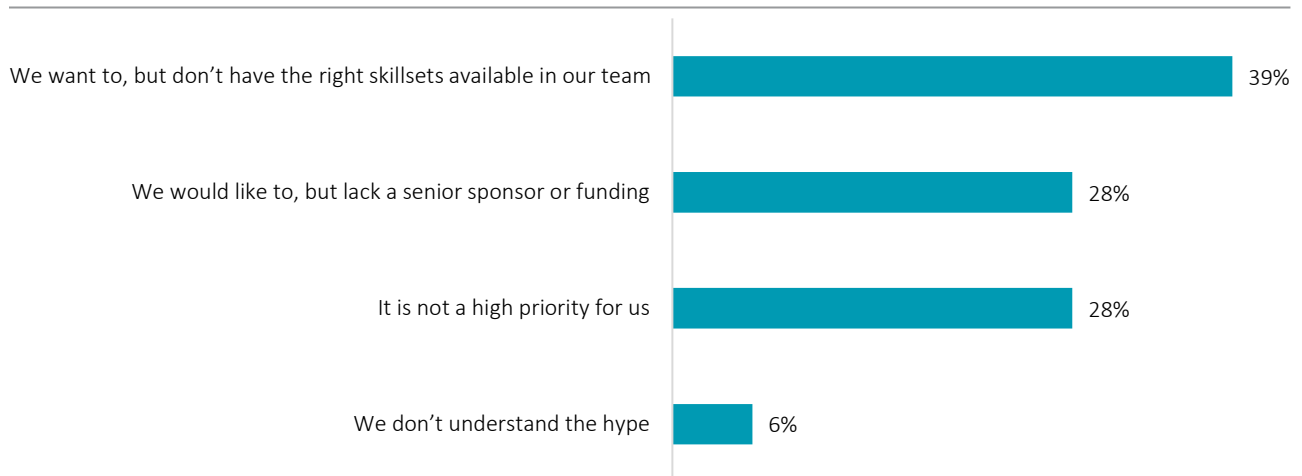
The Importance of Adopting AI Technologies

The benefits of adopting AI technologies are now increasingly evident and measurable. Reducing decision-making costs is one of the major indicators outlining the benefits of such adoption; indeed, the new solutions support decision-making starting from the knowledge that these tools generate. An additional benefit, albeit indirectly quantifiable, is related to the learning and sharing of more comprehensive and specific information that creates a shared knowledge base within the extended organization.

Resistance Factors

Building a roadmap for AI adoption is the main challenge that companies face. It is a different journey for each organization, so it must be tailored and defined to that organization and comes with some barriers to overcome.

Reasons for not adopting AI technologies



Specific skills emerge as an enabling factor:

- Proficiency in programming languages.
- Knowledge of numerical computation and statistics.
- Knowledge of the main AI techniques.
- Knowledge of data collection infrastructure and tools.
- Knowledge of the specific business sector in which one operates.
- Knowledge of key business processes and functions.

One of the most widely recognized barriers involves a lack of skills and resources (39%). 28% of respondents see a lack of sponsors or funds as the reason for not adopting AI solutions; 67%, despite showing interest, need to identify concrete actions for adopting AI in strategic and production processes.

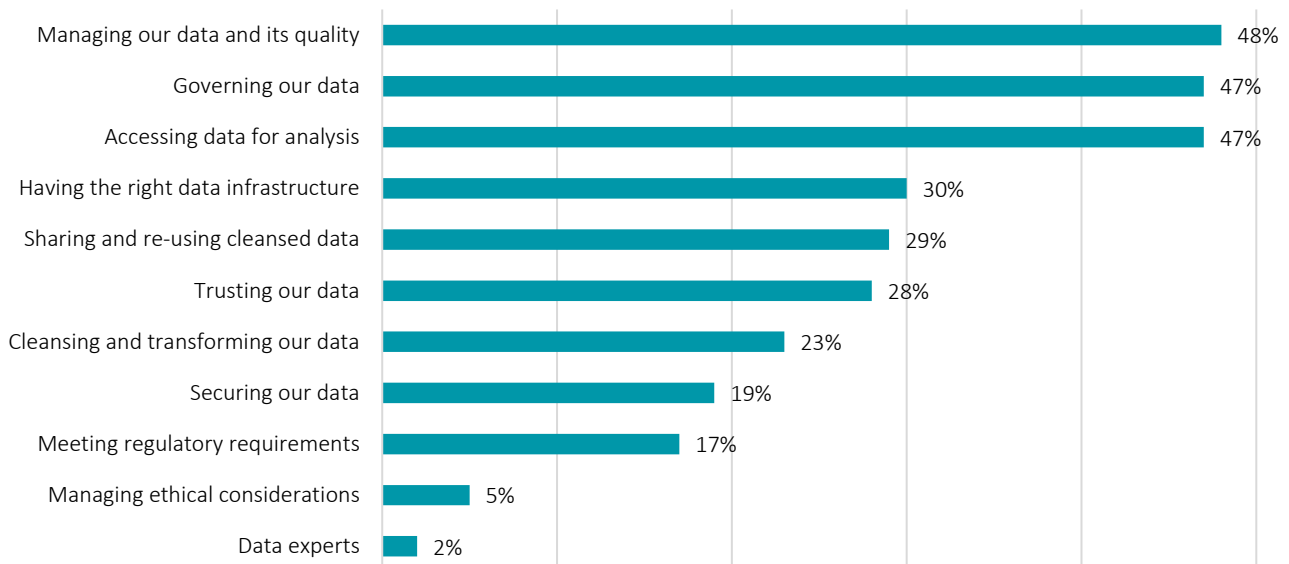


Reliability, Governance, and Accessibility of Data

Generating insights, leveraging artificial intelligence, and visually representing phenomena and the physical world, requires reliable and quality data. The lack of data quality and accuracy is the key finding of the survey: organizations realize the significance of the data they manage; they begin, albeit with different levels of maturity, to exploit it and, as a result, are faced with the issue of the quality and management, maintenance, timeliness and availability of data on a large scale.

Approximately 50% of respondents experienced problems with "Data Quality," "Data Governance," and "Data Accessibility."

Top three data capability areas in which your organization experiences the most challenges



Deloitte has developed specific methodologies and frameworks to better support its partners in meeting the challenges of daily operations. More specifically, an incremental and adaptive roadmap has been defined to accompany organizations on their journey toward fully utilizing the potential made available by data.

The journey starts with establishing a "data culture," whose two fundamental elements are governance and quality, which enable an effective data management process while ensuring that information meets the criteria of accuracy, completeness, consistency, and reliability.



Technology Ecosystems Getting Closer to the Business

It is evident from the survey results that the most widely used technological tools in Italy do not demand high levels of technical knowledge and are consequently easier for users in business functions to use on a day-to-day basis. However, that does not mean neglecting the importance of a supporting - increasingly cloud-based - infrastructure and more specific tools and solutions that ensure reliability, scalability, and access to both overview and granular data.

Which of the following vendors does your organization work with? (Multi-Select)



For business users to analyze data independently, self-service solutions are necessary that can be used even without programming skills, leveraging "ready-made" analytic models that can be easily modified and integrated into business processes

These new solutions enable business users to access information assets autonomously by enabling new data analysis paradigms that support business strategy definition and execution. If organizations want to stay competitive, they cannot help but explore and be ready to exploit the potential offered by new technology trends:

- Quantum computing** A technology based on the principles of quantum mechanics. It is a novel approach to computational research; the potential of quantum computing lies in being able to address and solve classes of problems that currently available supercomputers cannot solve.
- Metaverse** It can be viewed as the evolution of "virtual worlds" into a full-fledged social experience that engages not only the person, but the entire community, using a play-to-earn logic in which one invests, makes money, trades, and enjoys many of the interactions also found in the real world.
- Semantic Web** It represents a new ecosystem where published documents carry associated information and data (metadata) that specify the semantic context in a standard format suitable for automatic querying and interpretation.

What's Next?

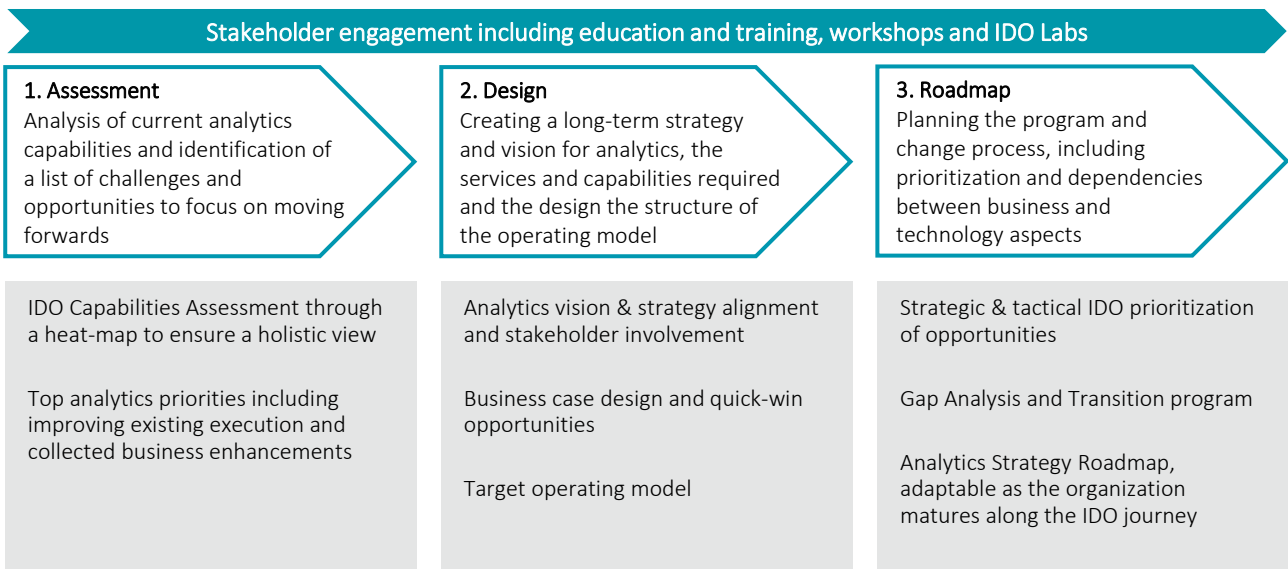
Organizations increasingly need to look beyond their current capabilities, innovate to expand their business, generate new opportunities that are sustainable and ethical, plan in an agile and flexible manner, and organize effectively to address sudden changes. In this extremely fast-paced and competitive scenario, one of the main levers is a focused application and exploitation of data and artificial intelligence accompanied by creating a new mindset that increasingly places data at the center of every business process.

Our mission goes beyond analytics

Along these lines, Deloitte has come up with approaches and pathways for moving beyond the concept of Analytics and Artificial Intelligence; among them Alchemy, which aims to produce a radical transformation in the strategic approach of analytics ecosystems, helping customers extract insights from their data and turn insights into business actions, and Product Analytics, intended to focus and expand Analytics around the product, allowing a collateral, though substantive, approach to the value chain, enabling a product analytics-oriented vision that drives organizations toward an evolutionary trend that leverages AI at all stages of the product lifecycle.

Deloitte provides a unique approach to support organizations in implementing an effective **Analytics Strategy** while building a comprehensive vision and implementation plan to progressively achieve the goal of embedding data-driven decision-making into the fabric of the organization.

Deloitte's approach and methodology are based on the **IDO** framework and the experience gained from numerous projects with leading Italian and international companies. In addition, Deloitte combines aspects such as defining the IDO Roadmap and supporting the evolution toward an insight-driven company with its application, functional, and domain expertise gained from implementing transformation processes with Clients.



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