

Digital Transformation

2024 Leadership Priorities in Tech

Leading through tech anxiety in
agriculture & manufacturing



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Background to the report

We surveyed 800+ business leaders based in the UK and US, of which 193 worked across agriculture and manufacturing.

The sample was made up of C-suite executives, Senior VPs and VPs, Directors and Senior Decision Makers. We spoke with senior leaders on a range of key topics, combining surveys with in-depth interviews.

Topic 1

Digital transformation for large-scale organizations

Understanding perceptions of digital transformation, what it is understood to mean, how people talk about it, and the challenges that surround it.

91% of leaders identified 'digital transformation' as a term used within their business.

Topic 2

Tech anxiety: identifying and responding to concerns

Understanding senior leaders' concerns so we can better talk about digital transformation in a way that resonates and work for leaders in their businesses.

Sustainability strategy and tracking (**24%**) is the most common source of anxiety, followed by AI & machine learning (**18%**) and cyber security (**18%**).

Topic 3

Investment: the next big thing

Understanding current investment strategies in the face of emerging technologies and a changing environment.

58% of leaders in the sector intend to spend more on digital transformation projects this year, compared to previous years.

Topic 4

Data: what people trust

Uncovering data on the levels of trust in company data, reasons for distrust, and the areas of data that leaders focus on the most.

Just **1%** of agriculture and manufacturing leaders express little or no trust in their data.

Keeping pace with change: understanding tech anxiety

Current economic condition. Sociopolitical change. The lingering impact of COVID-19. The changing face of agriculture and manufacturing have put businesses under enormous pressure to adapt quickly and embrace digital technologies in new ways.

Many organizations have struggled to achieve the desired outcomes in their digital transformations. More often than not, the hiring of engineers, data scientists and cyber security experts has increased headcounts and budgets without immediate results.

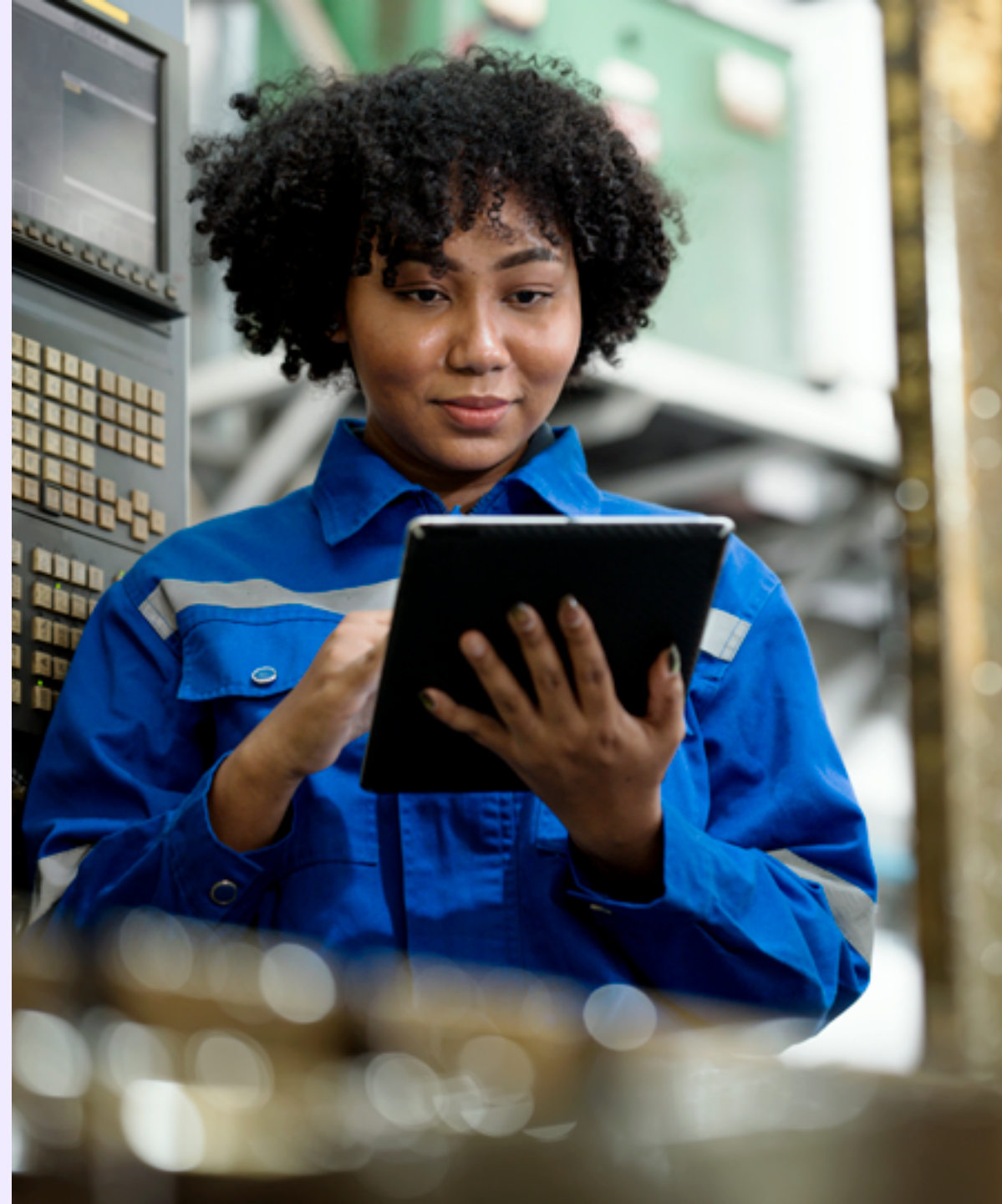
In light of this, a growing phenomenon is emerging across the industry: tech anxiety. With intensifying demands to keep up with the rapid change of pace, agriculture and manufacturing leaders are increasingly apprehensive about the implementation of digital initiatives after initiatives.

With the heightened importance of sustainability tracking and reporting, the rapid growth of AI and machine learning, and the looming threat of cyber security risks, leaders have to learn quickly. They must utilize the right digital advancements, assessing the impact of disruption and long-term change on business operations.

In an effort to understand the reasons behind tech anxiety within the agriculture and manufacturing sectors, we spoke to more than 190 leaders about their experiences and the tools they need to navigate the complexities of digital transformation.



Digital transformation: A fast lane to the future



Digital transformation at the forefront

Digital is ingrained in the DNA of the agriculture and manufacturing industry. **92% of leaders from agriculture and manufacturing businesses have a digital transformation strategy within their organization.**

However, there is also a sense that the term 'digital transformation' is losing relevance. Whilst **71% of leaders still consider digital transformation to be critical or necessary**, there is a growing skepticism regarding the lack of a concrete definition across the sector.

What does digital transformation really mean for the industry? The answer is not always straightforward, with organizations and people interpreting the term in different ways, leading to confusion and uncertainty.

92% of agriculture and manufacturing businesses have a digital transformation strategy

The digital change cycle

Our research reveals that leaders understand digital transformation to mean a significant change to business operations through the integration and application of new technology. Three broad themes emerge from leaders' responses to what digital transformation means to them.

92% of agriculture and manufacturing leaders consider their company digitally fit for the future.



1. Transformation of processes, practices, and culture

Emphasizing the need to leverage digital technologies for business transformation, including reshaping processes, culture, and organizational structures. This entails embracing digital operations, automation, and integrating technology across the organization to drive continuous progress.



2. Evaluating technology impact and adoption strategies

Assessing the effects of emerging technologies on organizations, evaluating potential risks, opportunities, and aligning them with organizational objectives. This involves making informed decisions, setting adoption strategies, selecting appropriate technologies, and balancing current needs with future innovation.



3. Deriving benefits and competitive advantage

Focusing on the value derived from digital transformation and new technologies. Highlighting the potential for improved business processes, enhanced customer experiences, increased productivity and growth, leading to a competitive edge in the market.

Digital transformation hotspots

Leaders across our research told us that digital transformation is a wide-reaching evolution. They want to continually improve outcomes and processes across their organizations, rather than focusing on siloed projects. This big-picture approach means transformation efforts are often centered around these key areas:



43% of agriculture and manufacturing businesses see AI and machine learning as a key part of digital transformation.

1. Ethical considerations and responsible technology use

Utilizing AI technology effectively whilst balancing growth against the ethical implications of technology adoption, addressing AI bias, algorithmic transparency, and the social impact of transformation.



39% of sector leaders say application or software development is key to digital transformation.

2. Application or software development

Many agriculture and manufacturing businesses are looking to the development of new software to give them a competitive advantage and support business growth.



Digital transformation is used to describe efforts to improve customer experiences in **37%** of businesses.

3. Customer-centric and personalized experiences

Placing the customer at the heart of business strategies, focusing on tailored marketing, personalized experiences, and utilizing customer data to enhance satisfaction, loyalty, and drive business growth.



Data foundations and analytics are key to digital transformation efforts in **34%** of businesses.

4. Data-driven decision making and analytics

Leveraging data insights for informed decision-making, optimizing processes, and gaining a competitive edge by harnessing the power of data analytics.



34% of agriculture and manufacturing businesses see adoption of tools internally as a key focus

5. Enhancing internal adoption of digital processes and tools

With agriculture and manufacturing businesses, a key focus of digital transformation is in upskilling people to keep pace with digital transformation demands.



Digital transformation relates to cloud modernization in **33%** of businesses.

6. Cloud migration and application replacement

Navigating the complexities of migrating systems and applications to the cloud while ensuring seamless integration, data integrity, and minimizing disruptions.

The rise of tech anxiety



What's keeping agriculture and manufacturing leaders up at night?

The climate crisis and the race to net zero have had widespread consequences for sustainability regulation at a national and international level. In addition to new governmental directives, agriculture and manufacturing businesses in particular are being called upon to implement rigorous corporation-wide objectives to reduce their impact on the environment.

As a result, our survey shows that **sustainability strategy and tracking is the most common source of anxiety amongst agriculture and manufacturing leaders** when it comes to digital transformation.

Anxiety about cyber security is also commonplace, with 18% reporting concerns. With research showing global cyber-attacks rose by 7% in Q1 2023¹, concerns over cyber security are unlikely to abate.

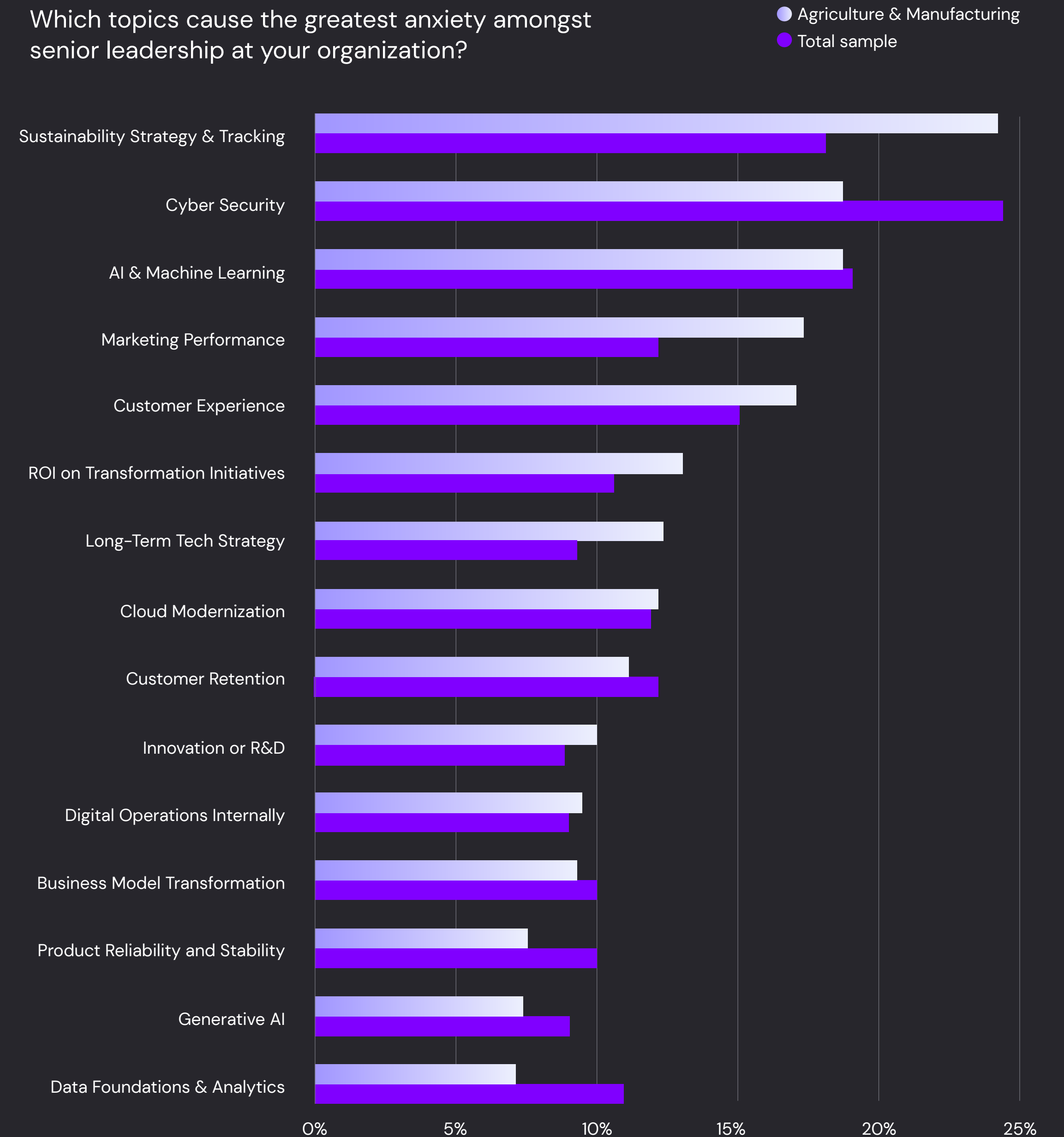
Our analysis of leaders' self-reported sources of anxiety shows that factors and technologies with the most disruptive

potential generate the highest level of anxiety. **18% of leaders report anxiety amongst senior leadership in relation to AI and machine learning.** Combined with concerns over generative AI, this technology is causing more anxiety amongst leaders than anything else.

24% cite sustainability strategy & tracking as the greatest source of anxiety amongst leadership.

¹[Cyber Security Report 2023, Checkpoint, 2023](#)

Which topics cause the greatest anxiety amongst senior leadership at your organization?



Common sources of anxiety

The rapid pace of change is making leaders anxious, with concerns around job security, competence, work-life balance, and well-being on the rise. These are the biggest tech challenges keeping them up at night.



1. Sustainability Strategy and Tracking

The complexity of implementation and the allocation of resources is a familiar challenge for leaders of large organizations. Increasingly, broad regulatory compliance requirements around sustainability and meeting stakeholder expectations are critical concerns, as sustainability initiatives come under scrutiny.

41% of the leaders who identified this as a source of anxiety attributed their worries to a lack of internal skills.



2. Cyber Security

C-suite executives often bear the responsibility of safeguarding their organizations against cyber threats. The increasing sophistication of cyberattacks and the potential impact on their company's reputation and financial well-being can lead to heightened tech anxiety.

36% of leaders who see cyber security as an issue say an internal skills gap and a lack of personal knowledge are key concerns.



3. AI and Machine Learning

As technologies advance, there is potential for AI and machine learning to create disruption alongside ethical challenges around job displacement, data privacy, and algorithm bias. They could also trigger unintended consequences or errors in decision-making processes.

For leaders raising AI and machine learning as a cause for concern, 41% attributed that anxiety to insufficient funds.

Investing in a digital future



The importance of investing

Effectively utilizing opportunities offered by digital technology is crucial to maintaining competitiveness in agriculture and manufacturing marketplaces. 71% of sector leaders believe investment in digital transformation to be either critical or necessary for business success.

Nonetheless, the level of capital investment required and limited visibility of the benefits of unproven technologies has shaken leader confidence. **Economic uncertainty has impacted the majority of businesses' short-term (93%) and long-term (93%) plans**, significantly more so than in other industries.

The majority of leaders continue to demonstrate a will to invest in digital transformation, with 69% believing this necessary within the next year. However, this is a significantly lower percentage compared to other industries.

However, the majority (58%) still plan to spend more on digital transformation initiatives this year than in previous years.



69% of business leaders believe that investment in digital transformation is necessary within the next 12 months

The next big thing

With economic conditions impacting the majority of businesses' plans for investment, priorities for agriculture and manufacturing businesses center on artificial intelligence and machine learning (13%) and cyber security (11%).

AI technologies have attracted significant focus in recent months, with 'artificial intelligence' experiencing a fivefold increase in interest on Google Trends in the 12 months leading up to June 2023. 13% of leaders surveyed identified this as their main area of investment.

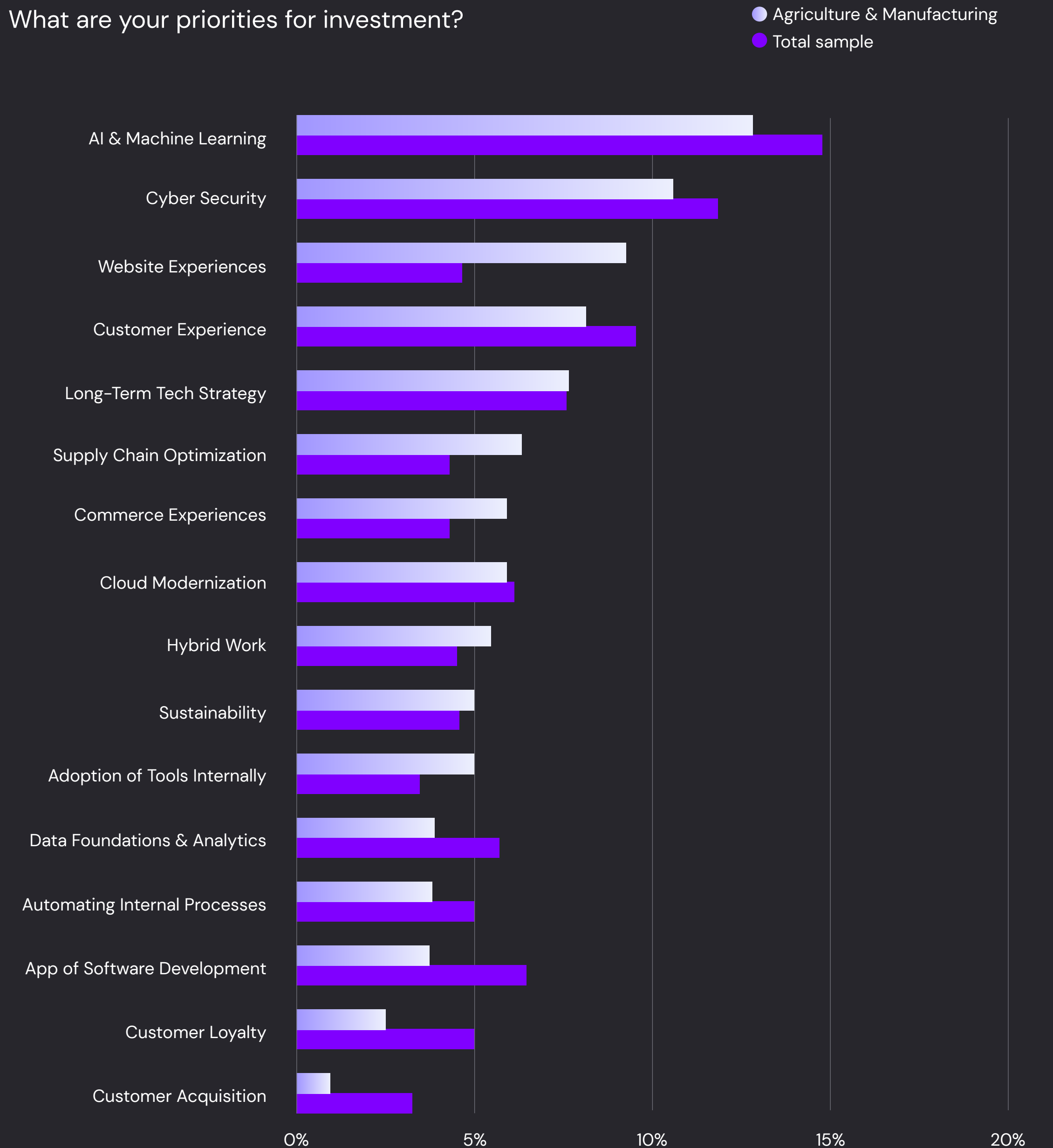
Cyber security also remains a priority. The shift to hybrid working and advancements in digital and cloud systems have necessitated rapid progress to ensure companies stay ahead of cyberattacks. With the average cost of a data breach for organizations with private clouds standing at \$4.2 million, and the global cyber security skills shortfall sitting at 2.7 million workers worldwide²—there is a clear case for significant investment.

Many agriculture and manufacturing organizations' broader investment priorities are focused on improving customer and commerce experiences, establishing a long term technology strategy, optimizing supply chains, and cloud modernization. Perhaps notably, although sustainability strategy and tracking was a key source of anxiety, only 5% of leaders identified this as their most significant area of investment.

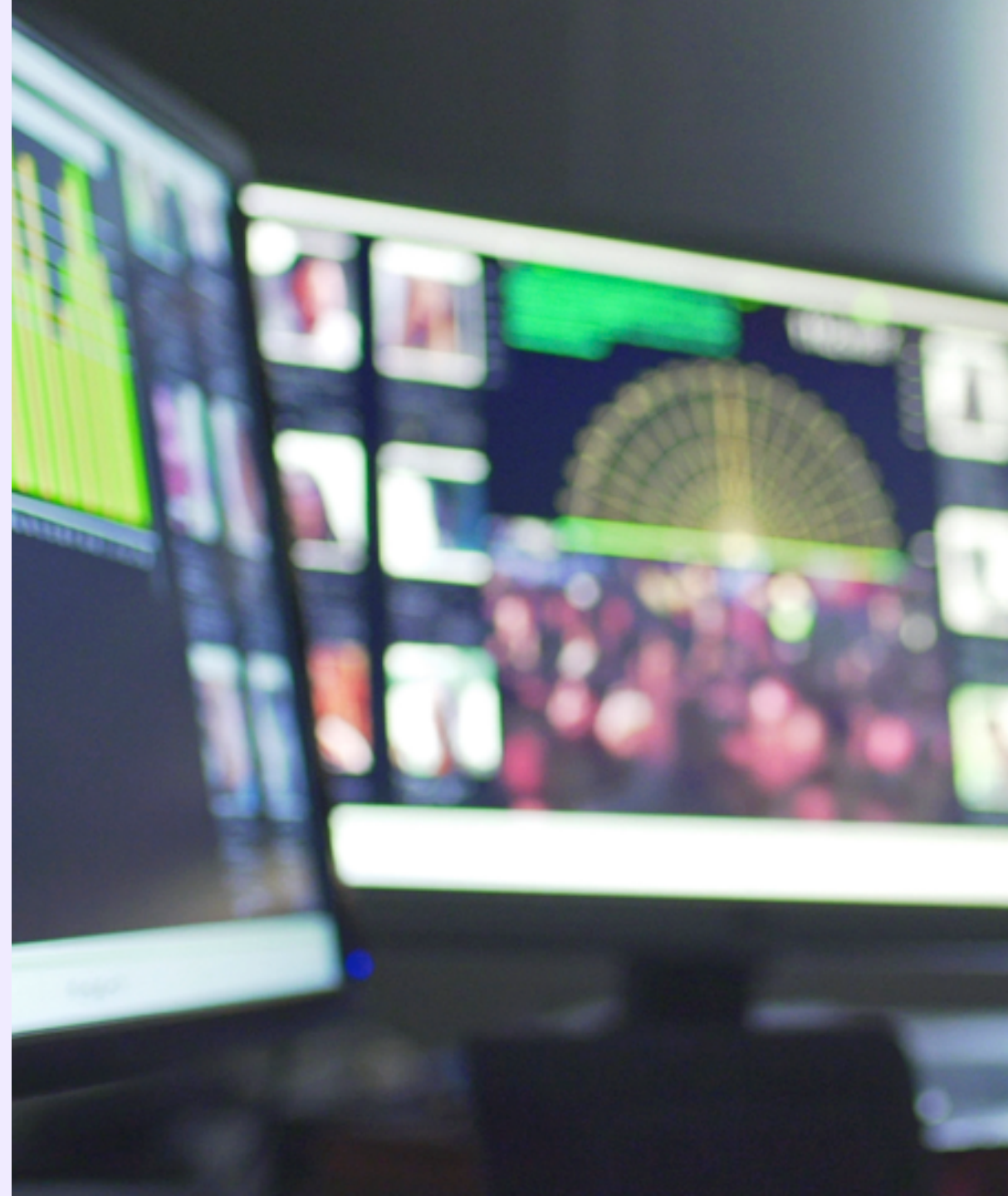
13% of agriculture and manufacturing businesses are investing more in AI and machine learning than anything else.

² [Cost of a Data Breach 2022 Report, IBM \(2022\)](#)

What are your priorities for investment?



Data-driven transformation

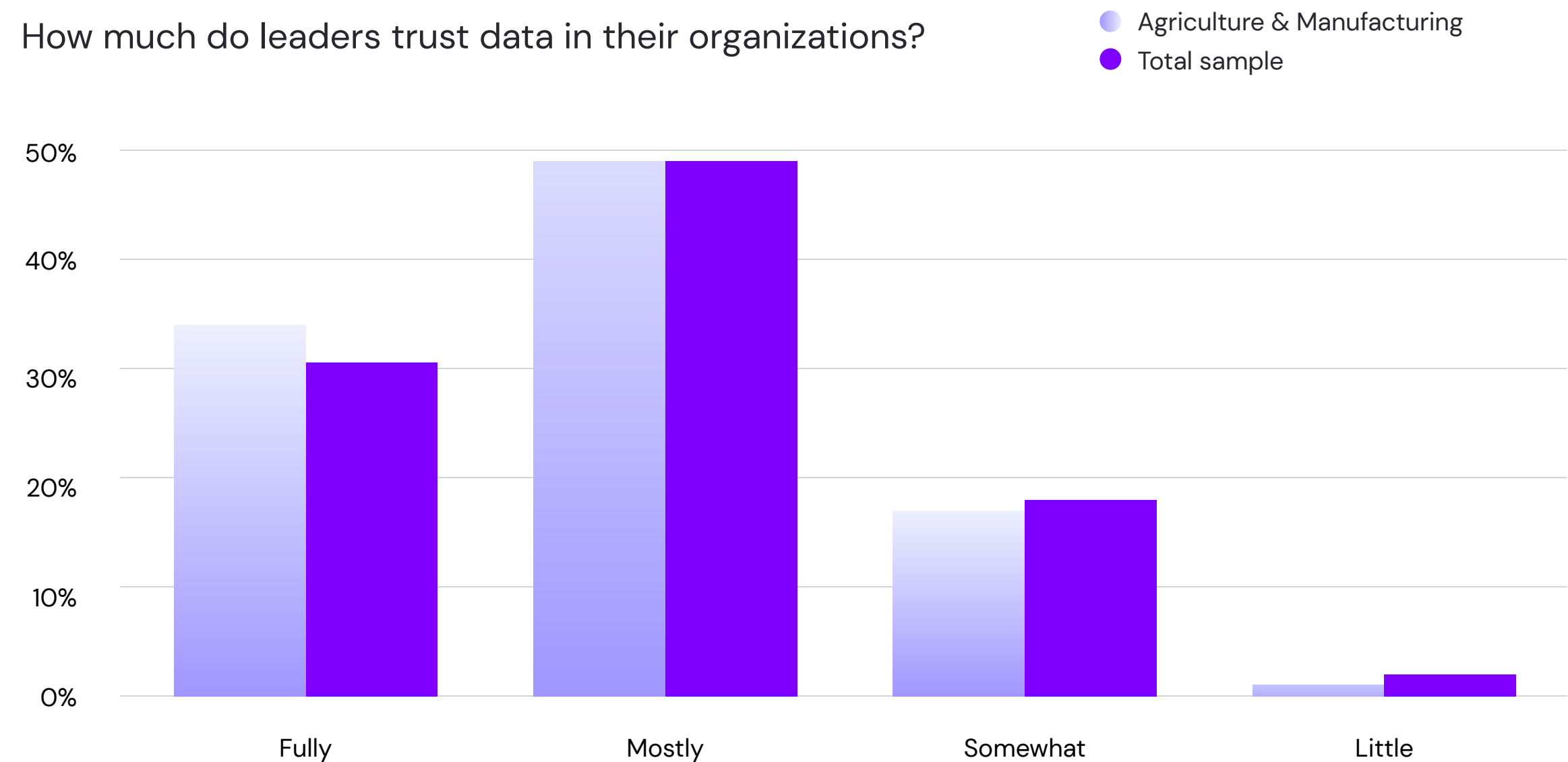


Confidence and trust

Data plays a crucial role in empowering agriculture and manufacturing leaders for the future. However, not everyone in the industry feels an adequate level of trust in the data provided by or to their organization. Just 33% of leaders fully trust this data, and although nearly half mostly trust it, 18% have somewhat or little trust.

Syndicated APIs and siloed data across systems, channels and brands were identified as the main issues for leaders in the sector. A lack of tools and internal expertise to derive value, inadequate search functionalities and the questionable accuracy of the data also gave rise to doubt.

18% of leaders reported somewhat trusting or having little trust in their business data



Focusing on data priorities

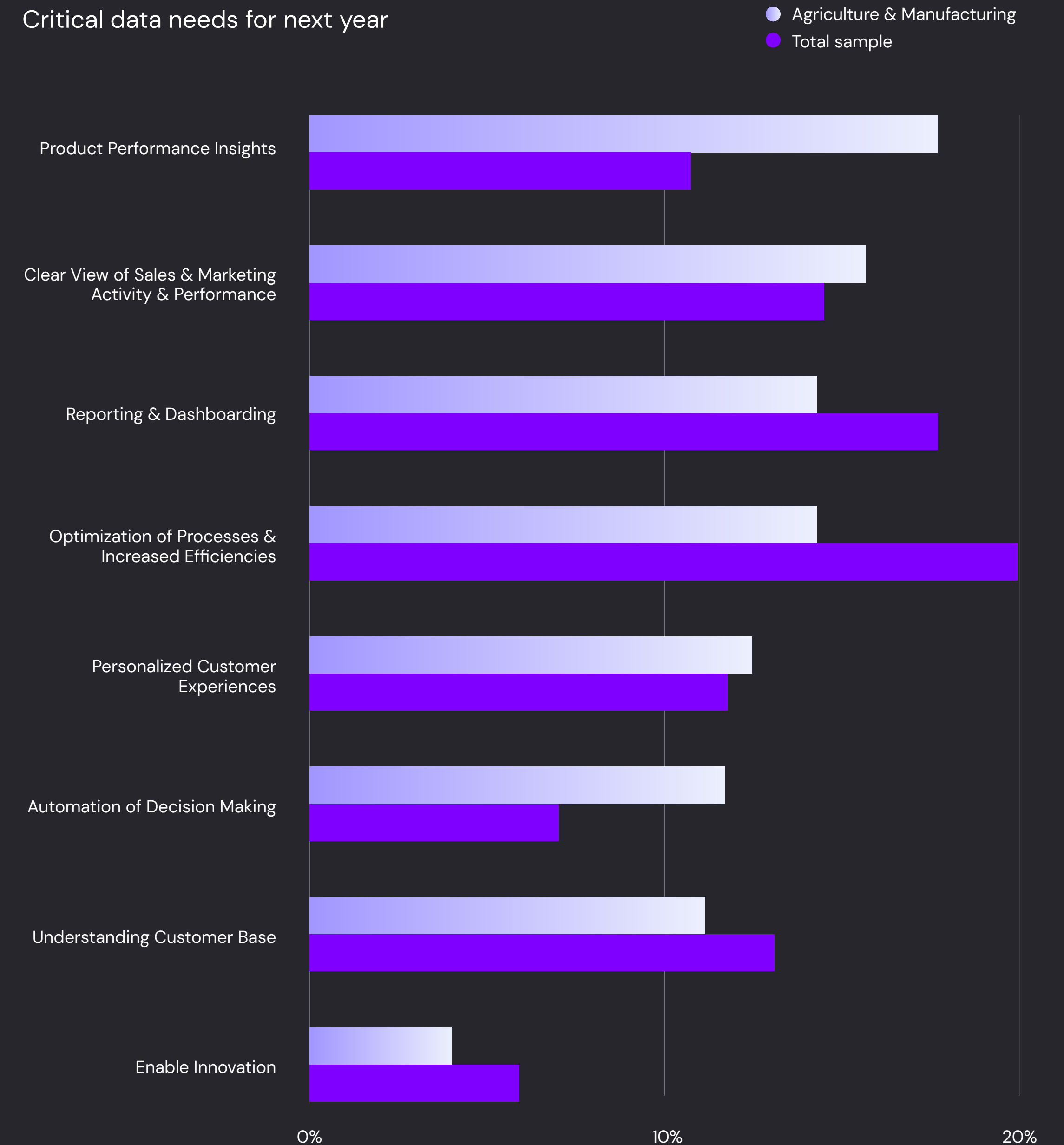
In an ever-evolving agriculture and manufacturing landscapes, data has a significant role to play in enabling leaders to make decisions effectively. Our research found that **92% of agriculture and manufacturing businesses plan to invest in data over the next year.**

Amongst the leaders we spoke to, clear views of the performance of products and sales and marketing efforts were identified as their most critical data needs. This, combined with a desire for dashboarding that provides business critical intelligence, demonstrates the sector's appetite for clarity in business operations.

The optimization of processes, automation of decision making, and personalized customer experiences were secondary priorities for the industry.

17% of agriculture and manufacturing leaders identified product performance insights as a critical data requirement over the next 12 months.

Critical data needs for next year



Practical tips for overcoming tech anxiety

The pressures around digital transformation aren't going anywhere. So, how do leaders ensure they can overcome obstacles and make changes that deliver real value for their organizations, colleagues, and customers?

Adam Schanfield, VP, Strategy and Innovation Service Line, Kin + Carta, shares his top advice for senior leaders:

1. Think bigger

Move beyond internal use cases for data. Challenge your teams and yourself to drive differentiation by connecting end-user value propositions—that drive customer lifetime value and lower acquisition cost (via increased NPS)—with delightful, original, and valuable experiences.

2. Focus on parallel priorities

Put high-priority investment areas first. AI and machine learning, cyber security, and customer experience are all high anxiety areas and top investment priorities. These are areas where you need to find ways to build capabilities, tooling, architecture, experiences, and models in parallel. Multiple, simultaneous initiatives can ensure you succeed when unexpected challenges arise.

3. Plan for future needs

Leaders often avoid challenges that fall into the high-anxiety x low-investment space—sustainability strategy, customer retention, marketing performance—out of fear of the unknown. But often these become hot-button issues inside the C-suite, quickly rising up priority lists and catching leaders unprepared. Scope targeted initiatives for these areas now, building perspectives and skills in anticipation of investment and prioritization in the future.

Digital transformation may be overwhelming, but it also unlocks exciting possibilities. By examining priorities and taking smart, targeted actions now, leaders can build the resilience and capability to thrive through whatever comes next.

KIN+CARTA



About us

Kin + Carta is a global digital transformation consultancy committed to working alongside our clients to build a world that works better for everyone.

Our 2,000 consultants, engineers, and data scientists around the world bring the connective power of technology, data, and experience to the world's most influential companies, helping them to accelerate their digital roadmap, rapidly innovate, modernize their systems, enable their teams and optimize for continued growth.

As a certified B Corp, our triple bottom line focus on people, the planet, and profit is at the core of everything we do.

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