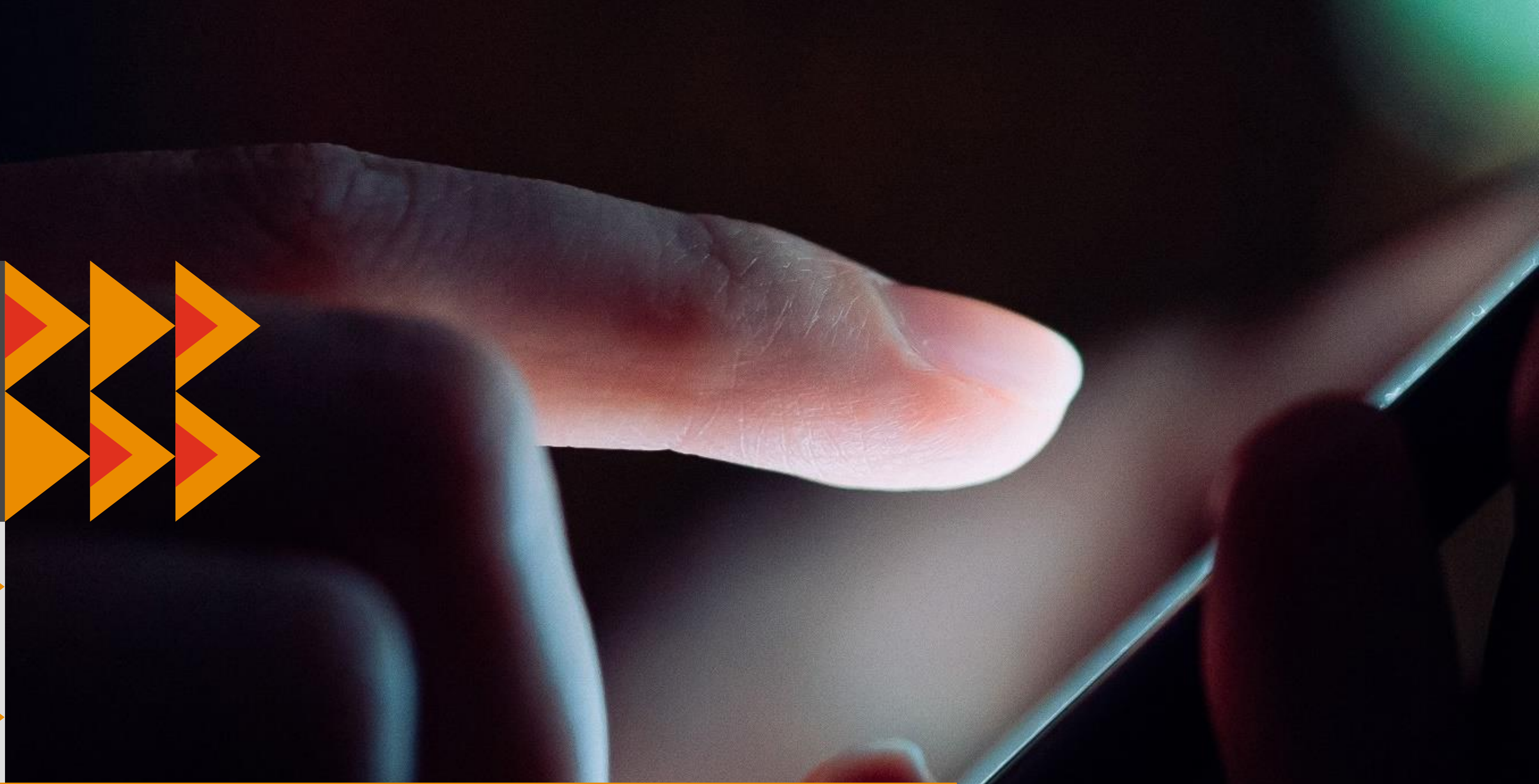


Cloud Business Survey – CEE edition

2023

Contents

1

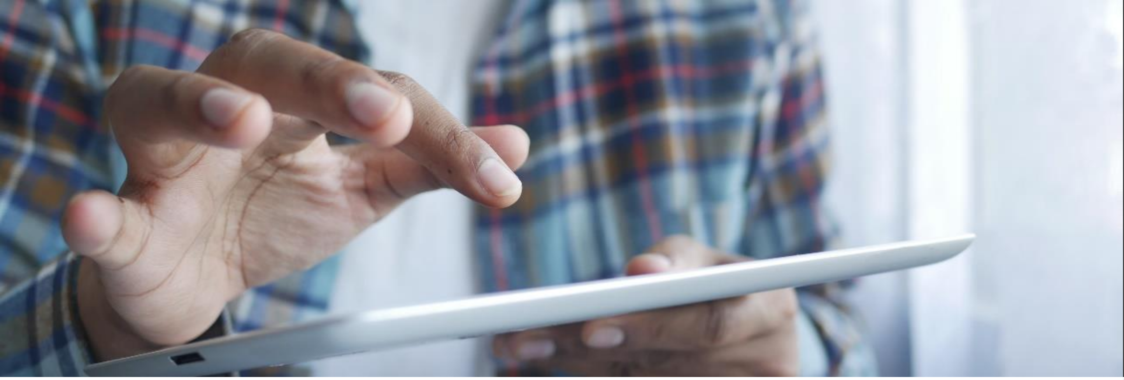
Introduction

About the survey

PwC surveyed 389 Technology and Business leaders from seven Central and Eastern European countries across a range of industry sectors (Industrial Products; Financial Services; Energy, Utilities and Mining; Technology, Media and Telecommunications; Retail and Consumer; and Health).

The fieldwork was conducted during February and March 2023.

PwC Research, PwC's global Centre of Excellence for market research and insight, conducted this survey.



Cloud transformation goes beyond just moving operations to the cloud. It is a process of reinventing business by unlocking new value, enabling smarter ways of working and rethinking technology.

So cloud strategy should be focused on business needs first, and not oversimplified to solely technical aspects.

Technology answers the question **“How?”**
but only business strategy can explain **“Why?”**.

Through this survey we aim to provide a deeper understanding of how cloud adoption is happening in Central and Eastern Europe, as well as where we can find areas to leverage benefits and identify risks to prepare for challenges. We have identified a group of cloud-powered companies, or organisations that are leaders in achieving a measurable value of cloud transformation, and examined what practices make them different.

Where relevant, we also compared the results from our region with a late-2022 survey of US companies to outline the potential prospects for cloud transformation by looking at a more mature market.

Transformation is very high on the agenda of business leaders, as our ever-changing world stimulates constant adjustments and new ways of driving value. Sooner or later, we are all moving to the cloud. To build future-proof business models, it is crucial to not just follow along but to lead transformation, deriving maximum benefits from it. That’s why we conducted this survey: to give companies a perspective on what has been done so far, and what the areas are where they can do better. We are fully aware that advanced economies such as the US are ahead of Central and Eastern Europe, so it was interesting for us to take a closer look at these differences. Because we are adopting cloud technologies later, we may have the opportunity to start with the latest and most effective practices.

Mariusz Chudy
Partner, Technology Alliances Leader,
PwC CEE

2

Cloud-powered companies

Cloud-powered companies are driving more value from their transformation

As many as 73% of executives in CEE said their companies have adopted cloud in some or all parts of their business. However, the vast majority have not yet achieved measurable value. Running part of your business in the cloud is not the same as being cloud-powered.

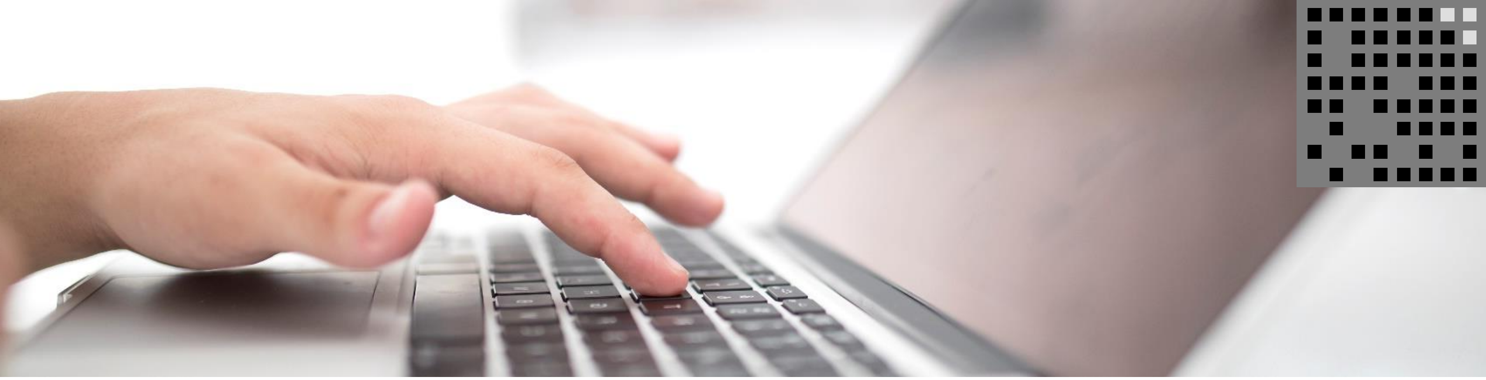
To identify cloud-powered companies, we developed a success index showing which companies are achieving greater benefits from the cloud, and what they are doing to realise those benefits. This analysis clearly identified the top quartile of companies, which were significantly more likely to have already achieved measurable value across a greater range of business benefits. We identified 77 of the 389 companies we surveyed as cloud-powered companies.

How we define cloud-powered companies

Cloud-powered companies are the 77 surveyed companies that fall within the top 25% when sorted using our cloud success index. The index is calculated using answers to the following question: Which of the following best describes how cloud technology is, or is not, delivering measurable value in your organisation?

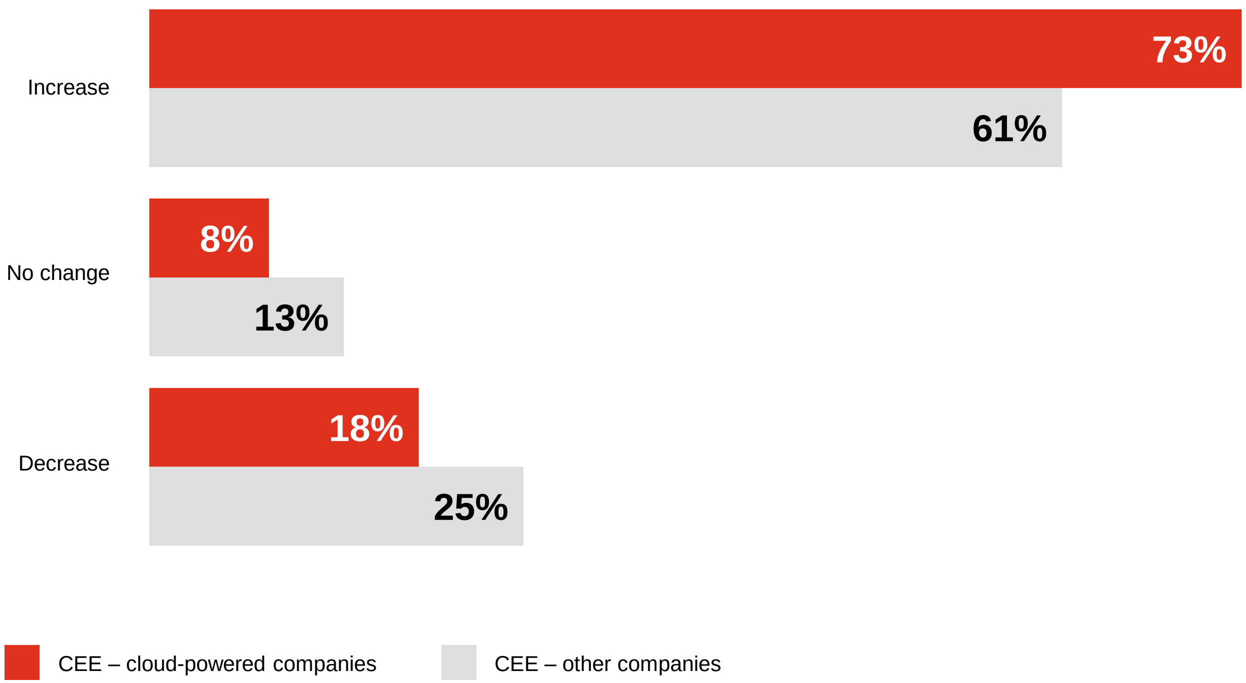
An index score out of 100 was created for each respondent, of which the top score was awarded for those stating “already achieved measurable value”. Respondents who stated “unsure/not applicable” were excluded from the index.

The US findings are based on the same index. Due to a larger base size, the US results are based on their top decile (10%, 95 companies).



Question: Please indicate the expected change in your organisation's revenue over the next 12 months

CEE cloud-powered companies vs CEE other companies



Across a range of sectors, cloud-powered companies are more likely to be $2.5bn+ companies that are growing. Looking at revenue growth expectations, 73% of cloud-powered companies in the CEE region are expecting an increase, compared to 61% of other companies.

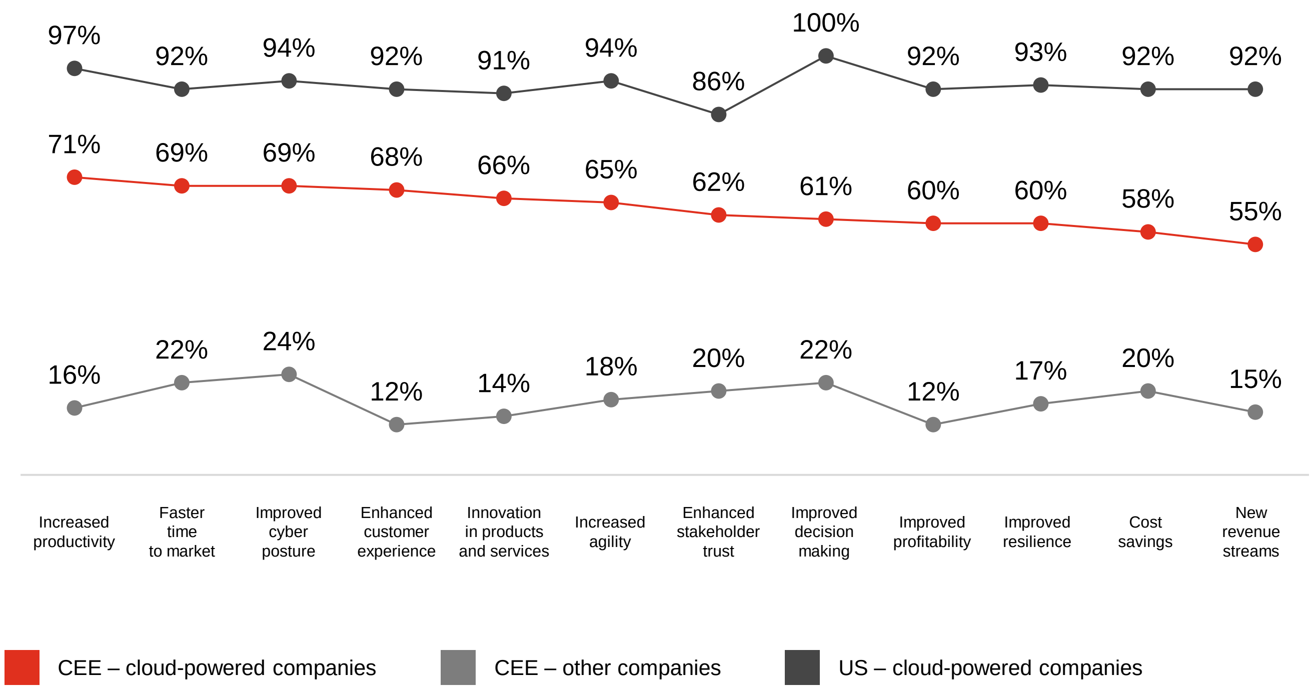
Cloud-powered companies in CEE have achieved significantly more measurable value across a wide array of business benefits than other companies: from 2.8x more in improved decision-making to 5.7x in enhanced customer experience

In terms of achieving measurable value, cloud-powered companies have a clear lead over other organisations in CEE. Cloud-powered companies are more likely to achieve measurable value across a multitude of business benefits, with the results of 55% and above, while other organisations' figures are 24% and lower.

However, even among cloud-powered companies, there is an opportunity to realise greater benefits from cloud technology, particularly when compared to US counterparts whose results range from 86% to 100%.

Question: Which of the following best describes how cloud technology is, or is not, delivering measurable value in your organisation?

% stating already achieved measurable value
(CEE cloud-powered companies vs CEE other companies vs US cloud-powered companies)

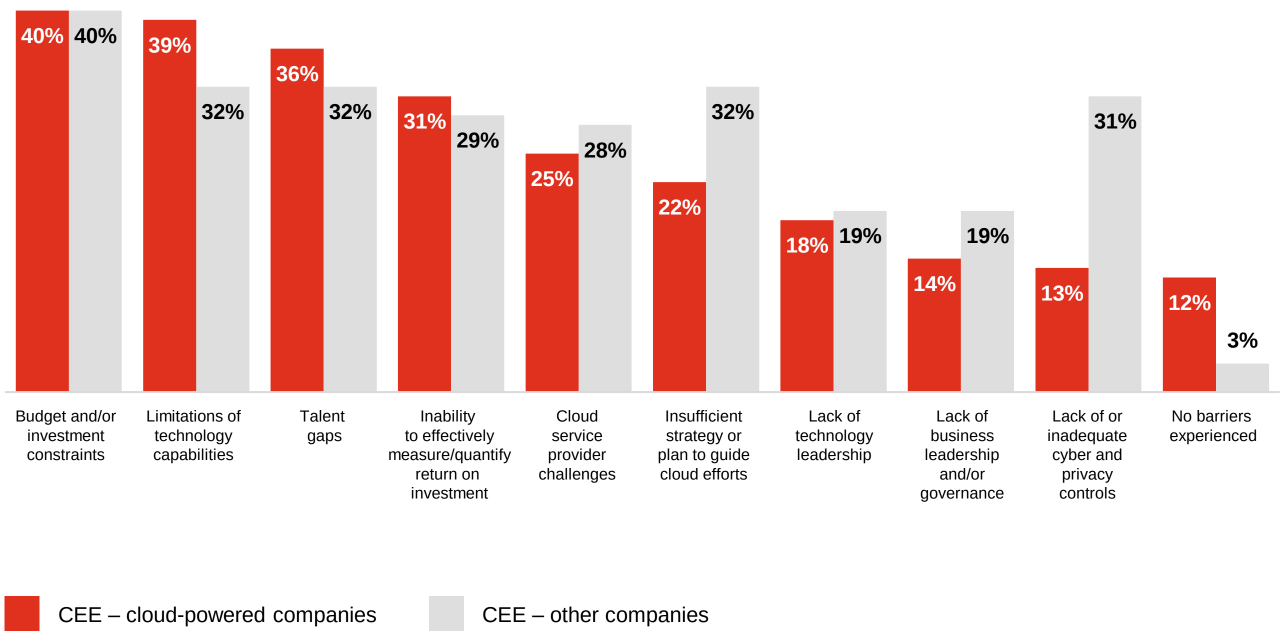


Although cloud-powered companies in CEE are achieving greater value, they still face a variety of barriers

Question: Which of the following have been the biggest barriers to achieving measurable value from cloud technologies?

Barriers to achieving measurable value
(CEE cloud-powered companies vs CEE other companies)

Ranked 1-3



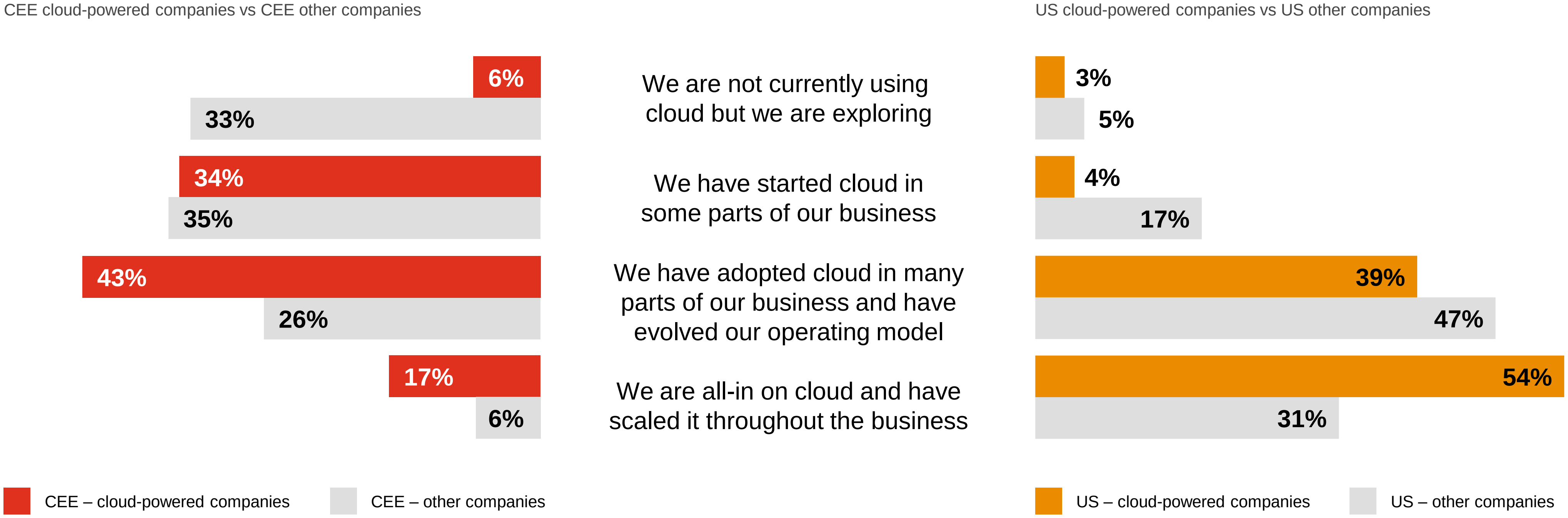
Across all CEE companies, both cloud-powered and other organisations, the top three barriers to achieving measurable value are the same: budget and/or investment constraints (40% for both), limitations of technology capabilities (39% for cloud-powered organisations vs. 32% for others) and talent gaps (36% vs. 32% respectively). Notable differences between cloud-powered companies and others are seen in relation to insufficient strategy or plans to guide cloud efforts, and lack of or inadequate cyber and privacy controls: 22% vs. 32% and 13% vs. 31% respectively.

Furthermore, 12% of cloud-powered companies experienced no barriers when talking about achieving measurable value, while for other organisations this figure is significantly lower at 3%.

Cloud-powered companies in the CEE region are almost 3x more likely to be all-in on cloud than other companies in CEE

Question: Which of the following best describes your company’s cloud maturity?

Cloud maturity



Cloud-powered companies in CEE are significantly more likely to be all-in on cloud (17%) or adopt the cloud in many parts of their business (43%) compared to other CEE companies (6% and 26% respectively). However, US cloud-powered companies tend to be further ahead on their cloud journey: 52% of them are all-in on cloud.

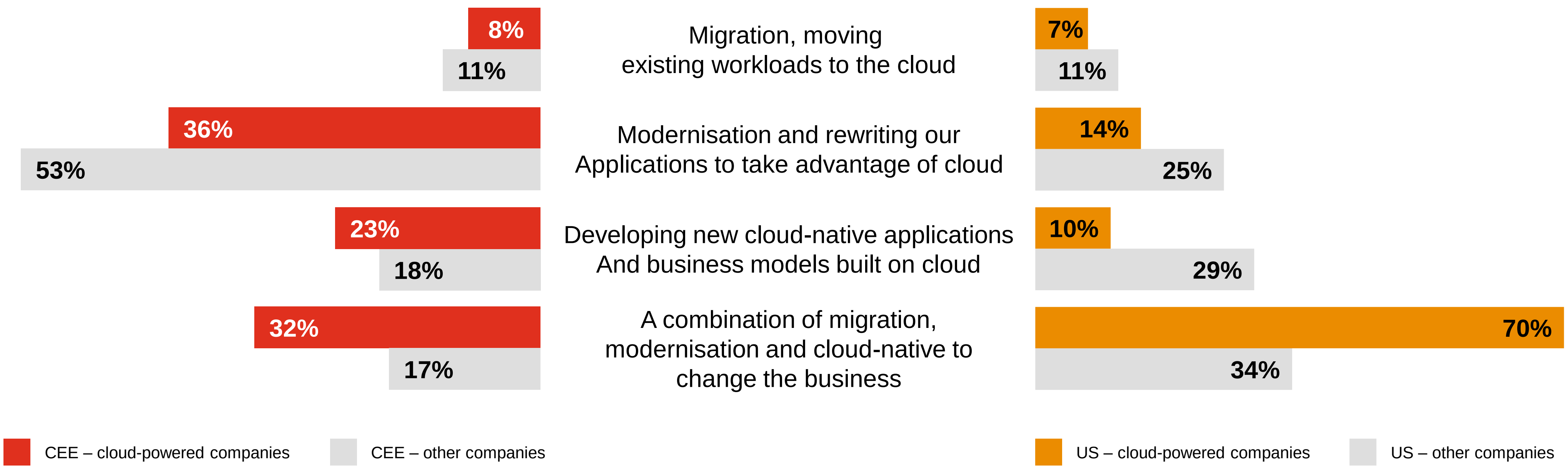
Cloud-powered companies in Central and Eastern Europe are almost 2x more likely to take a multi-faceted cloud approach than other companies in CEE

Question: Which of the following best describes the primary reason your company is leveraging cloud technology?

Primary reason for leveraging cloud technology

CEE cloud-powered companies vs CEE other companies

US cloud-powered companies vs US other companies



As for strategies to leverage cloud technology, CEE cloud-powered companies are more likely than other organisations to take a holistic, combination approach: 32% vs. 17%. However, this is lower than the figure for US cloud-powered companies, where 70% are taking a combination approach. Also, compared to the US, a higher proportion of CEE cloud-powered companies are focusing on modernisation (36% in CEE vs. 14% in the US).

A key challenge in cloud adoption in Poland and CEE is related to the fact that the majority of business leaders still believe that the "cloud" is an IT project and nobody likes to manage complex IT projects. The truth is that new business models in digital are all data-driven, and it is impossible to build efficient digital growth strategies without cloud tools to empower them. Nothing is missing in CEE – companies can benefit from a locally-based robust hyperscale infrastructure, solid engineering talent base and entrepreneurial business mindset of the region. As Google Cloud, we are fully committed to supporting local businesses. We are glad to see the market growth but would be happy for greater ownership coming from the top executives.

Magdalena Dziewguć
Country Director,
Google Cloud Poland

3

Cloud transformation maturity

Cloud maturity across CEE is relatively low when compared to the US, but there is an opportunity to implement more advanced cloud technologies from the beginning

Cloud has become a critical component of a digital operating environment, and its adoption is part of transformation processes which aim at business reinvention.

Around three-quarters of CEE executives surveyed have begun their cloud transformation journey. However, cloud maturity across Central and Eastern Europe is low compared to the US. Only 8% of companies in CEE consider their cloud maturity as high, meaning they are all-in on cloud and have scaled it throughout the business (e.g. advanced service design capabilities, deep product expertise, optimised workload differentiation). In the United States, the percentage of companies with high cloud maturity is much higher at 32%.

Turning to organisations with medium maturity, 27% of companies in the CEE region have adopted cloud technology in many parts of their business and have evolved their operating model (vs. 46% in the US). These companies are using multiple cloud service providers or using the cloud to innovate their business.

Combined, these numbers show that 35% of companies in Central and Eastern Europe have adopted cloud in all or most parts of their business, compared with 78% in the US.

So we see that unlike in the US, businesses from CEE countries are only at the beginning of their cloud transformation journey. But they have an opportunity to turn this delay to their advantage, by implementing more mature cloud solutions.

By embracing more advanced cloud technologies from the start, there is an opportunity to leapfrog the typical cloud adoption process, bypassing the hurdles and challenges that can hinder progress. While cloud maturity in CEE is lower than in the US, this presents a unique opportunity to implement cutting-edge cloud solutions without being held back by outdated practices.

Question: Which of the following best describes your company's cloud maturity?

Cloud maturity in CEE (CEE companies vs US companies)

35% of companies in CEE have adopted cloud in **all or most parts** of their business (vs 78% in the US)

27%
Planning

We are **not currently using** cloud but **we are exploring**

vs 6% in the US

38%
Low maturity

We **have started implementing** cloud **in some parts** of our business

vs 16% in the US

27%
Medium maturity

We **have adopted** cloud in **many parts** of our business and have evolved our operating model

vs 46% in the US

8%
High maturity

We are **all-in on cloud** and have scaled it **throughout** the business

vs 32% in the US

Today, every product and service has a digital footprint, and for companies lagging in their transformation journeys, moving to the cloud and becoming data-led is the fundamental first step. With a strong foundation in the cloud, organizations can drive transformation in a matter of weeks, not years; IT costs and complexity rapidly reduce, and the ability to develop and deploy new innovation more quickly improves the bottom line.

Paco Salcedo,
General Manager Enterprise,
Central and Eastern Europe,
Middle East and Africa,
Microsoft

A significant majority of CEE companies who are not all-in on cloud plan to be there or move 50% or more of their operations to cloud in the next two years

Question: Which of the following best describes your company operations on the cloud?

Company operations on the Cloud (CEE companies)

All our operations will be on the cloud within the next 2 years	43%
Around 50% or more of our operations will be on the cloud in the next 2 years	44%
Our operations are **not** fully on the cloud nor will 50% or more be in the next 2 years	11%

The increasing significance of cloud transformation is underlined by the fact that companies who are not all-in on cloud plan to continue their cloud adoption journey in the near future.

Of those who do not have all operations on the cloud, around two-fifths (43%) plan to be there in the next two years, and a similar proportion (44%) expect 50% or more of their operations to be on the cloud over the same period.

This means companies should focus on sharpening their strategies to use the value that cloud adoption can add to their business.

Cloud computing is the new normal as companies of every size have realized its benefits: scalability, cost optimization, security and the ability to quickly introduce innovative solutions. At the same time the cloud has democratized access to many technologies that were previously available only to the largest customers – e.g. artificial intelligence and machine learning.

Across Central and Eastern Europe, AWS already has tens of thousands of active customers and we believe that the innovation potential behind the cloud for CEE companies is just starting to show up. According to the latest study commissioned by AWS, if we could accelerate the adoption of digital technologies, like cloud and AI, a 2.8 trillion Euro economic value could be unlocked by 2030 in Europe.[1]

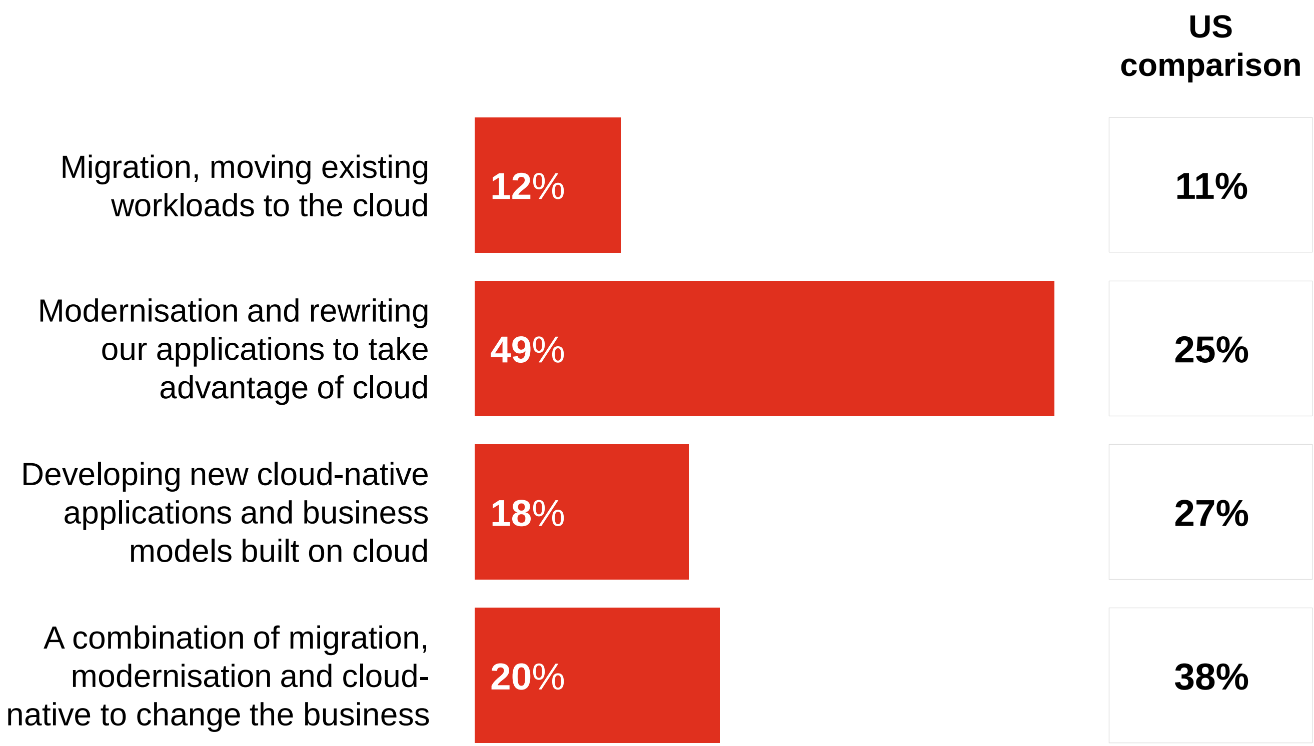
Przemek Szuder
CEE General Manager,
Amazon Web Services

[1] Public First "Unlocking Europe's Digital Potential" study commissioned by AWS

Half of CEE companies are primarily leveraging cloud for modernisation, with only one-fifth taking a multi-faceted, holistic cloud approach to improve their business

Question: Which of the following best describes the primary reason your company is leveraging cloud technology?

Primary reason for leveraging cloud technology
(CEE companies vs US companies)



As companies in CEE are still early in their cloud transformation journey, modernisation is the primary reason for leveraging cloud technology for almost half (49%) of CEE companies (in the US, it's one-quarter).

A combination of migration, modernisation and cloud-native to change the business is common for 20% of companies in the CEE region, while in the US this option is supported by 38% of organisations. Among CEE companies that have a holistic approach to cloud, 52% are of high cloud maturity, meaning they are all-in on cloud. A multi-faceted perspective helps companies apply the method that will be the most relevant and the strongest for their business goals and specific cases.

When it comes to cloud transformation in our company, we should distinguish two levels of those processes: global and local. And I believe this experience may be common for other global companies which operate in different countries.

The appetite of McDonald’s Company for cloud migration and transformation is very high. And at the global level, Premier Restaurants Romania (McDonald’s Romania) is successfully using global applications.

Many servers and apps are already on the cloud, bringing benefits, power and speed to the different vectors of the business.

For the local servers, we have not started the cloud journey yet, but we plan to do this in the coming years. The reasons are multiple: we are satisfied with the current situation, we have not realised the full benefits of the cloud, the benefits are for the long term, and the costs are higher in the first years.

The results of the survey are fully aligned with our experience and opinions. Our aim is to modernise the IT strategy, accelerating and enhancing cloud adoption.

Liviu Osman
IT Director at Premier Restaurants Romania (McDonald’s Romania)

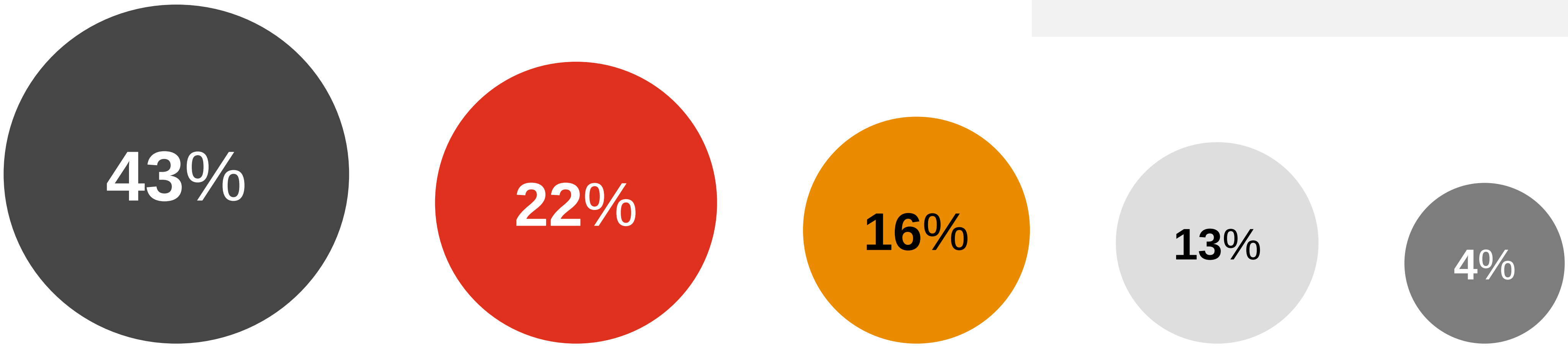
Focusing on cloud-native development is a leading strategy for CEE companies over the next 12 months

When it comes to cloud technology strategy over the next 12 months, companies in Central and Eastern Europe are in line with their US counterparts: around two-fifths plan to focus more on cloud-native development and around one-fifth are considering adopting an industry cloud solution.

Only 13% of companies in the CEE region will maintain their current focus, and 25% of those are companies that are currently adopting a combined approach. Also, among the organisations keeping their current focus, the share that are highly mature in the cloud is 36%.

Question: How do you think your company's cloud technology strategy will primarily change over the next 12 months?

Cloud technology strategy over the next 12 months (CEE companies)



Focus more on cloud-native development	Consider adopting an industry cloud solution	Move from migration to modernisation	We will maintain our current focus	We do not have a strategy
44% in the US	**20% in the US**	**26% in the US**	**9% in the US**	

The majority have not yet realised measurable value from their cloud technology

By adopting cloud technology, companies are seeking substantial value from their investments. But taking into account lower levels of cloud transformation maturity in the region, the majority of CEE executives surveyed are not yet realising the full potential of benefits from their cloud investments.

Around one-third of companies have leveraged cloud to improve their cyber posture, go to market faster, develop better decision-making and increase productivity. The four leading value areas in the US differ from those in CEE: improved decision-making is a top theme for 52%, and enhancing customer experience, cost savings and increased productivity follow, with results slightly below 50%.

For companies in our region, cost savings are one of the main drivers for cloud transformation, but only 29% of CEE organisations have realised this benefit. On the other hand, almost half of US companies have already achieved planned cost savings, while they are mainly driven by innovations and new business models. From the perspective of a more mature market, the experience of US companies shows that attaching the cloud to the business strategy can help accelerate business outcomes and help drive growth. So companies in CEE should consider this lesson when they plan and implement their cloud transformation.

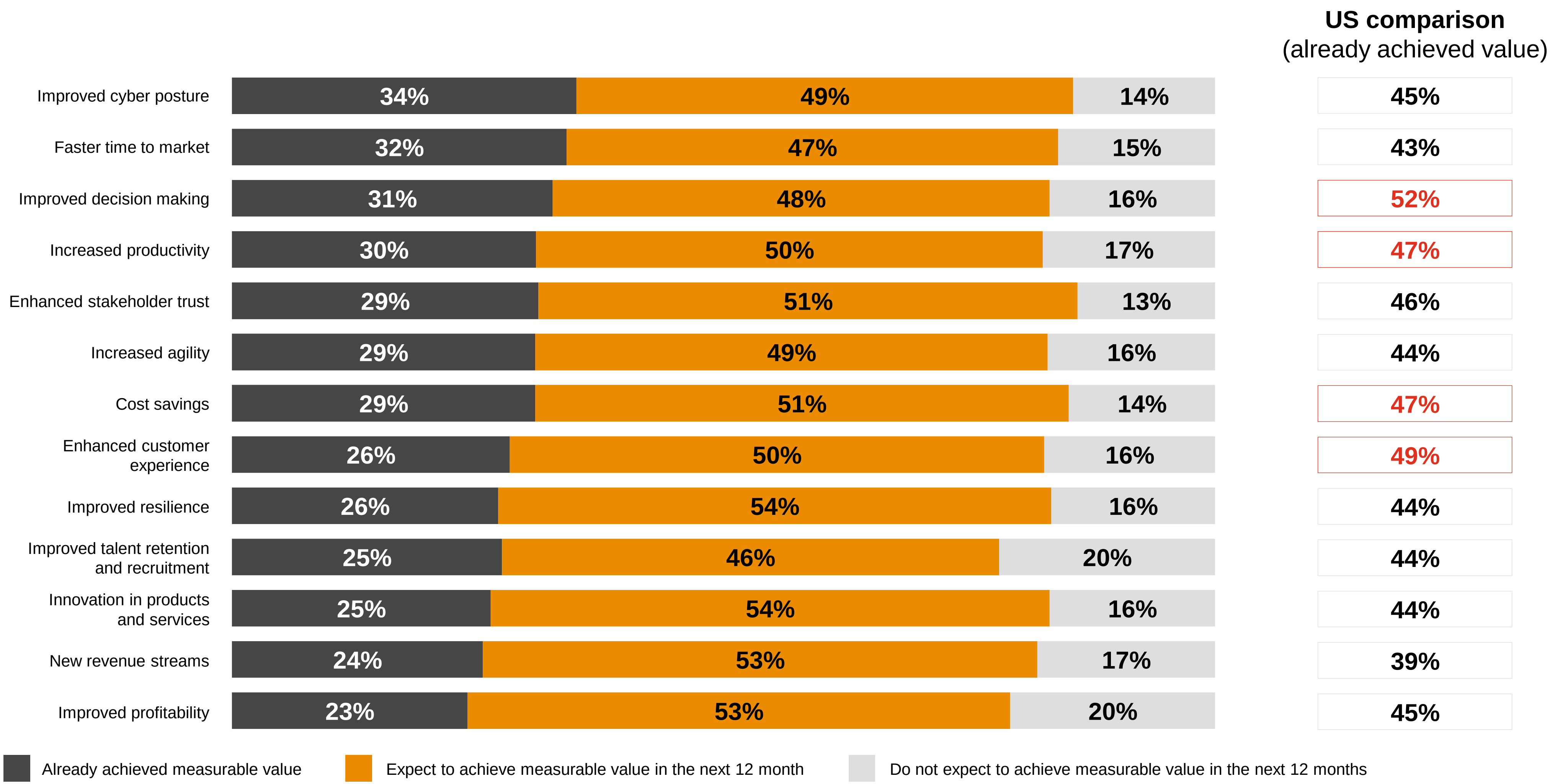
The emphasis on cloud-supported decision making is a priority in the US market, but it remains in the maturation phase in CEE. This area deserves attention due to its significant potential, which can translate into a real market advantage, and we should strive to close this gap.

The cloud serves as a catalyst for innovation and speed, which, when utilised effectively, can accelerate the implementation of AI, potentially becoming a game changer in the market. Therefore, the discussion of whether or not to embrace cloud technology in the current era of digital revolution is secondary. We should embark on this journey as quickly as possible to build organisations that are prepared for the future.

Paweł Kaczmarek
Cloud & Digital Director,
PwC CEE

Question: Which of the following best describes how cloud technology is, or is not, delivering measurable value in your organisation?

Cloud technology delivering measurable value (CEE companies vs US companies)



It is interesting to note that even though US companies are more mature in their cloud transformation journey, and more of them have adopted cloud technology across most of their business, the vast majority of them are still not achieving measurable value. So both for CEE companies and for more mature US companies, there are opportunities to realise greater benefits from cloud transformation.

Another reason to focus on exploring the opportunities to deliver more significant value from cloud technology adoption is that only 1% of CEE executives said their companies were achieving measurable value across all areas mentioned on the graph.

Additionally, we see that around half of companies are expecting to achieve measurable value in the next 12 months. These figures are quite high, and it will be interesting to watch how these organisations move from expectations to reality.

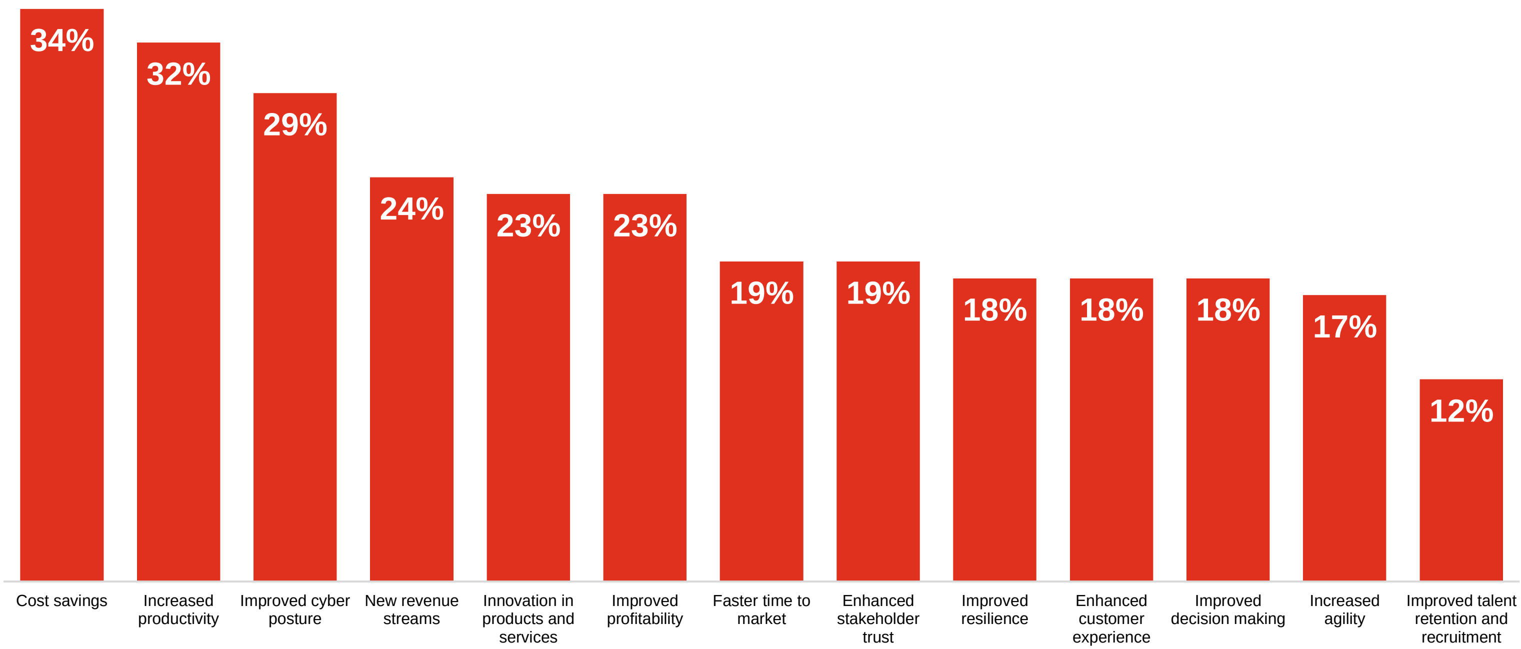
We should also look at those who don’t expect to achieve value in the next 12 months. One in five says that in the year ahead, they don’t expect to achieve measurable value in improved talent retention and recruitment, or in improved profitability.

Looking more closely at the results, we noticed that those who are all-in on cloud are more likely to already be achieving measurable value across all areas, particularly in decision-making, cost savings and enhancing customer experience.

Cost savings, increased productivity and improved cyber posture are the main business outcomes of cloud technology that CEE companies expect to drive in the next three years

Question: In the next 3 years, which business outcomes will be mostly driven by your use of cloud technologies?

Outcomes of cloud technology (CEE companies)



When adopting cloud technology, different companies plan to drive different business effects. Looking ahead to the next three years, cost savings (34%), increased productivity (32%) and improved cyber posture (29%) are the top outcomes that companies in CEE hope to achieve by using cloud technology. But here we also see a dangerous bias which may create a gap between expected results and real developments: driven by cost-saving efforts, companies may miss other benefits that cloud transformation can bring, e.g. new business opportunities or revenue streams.

”

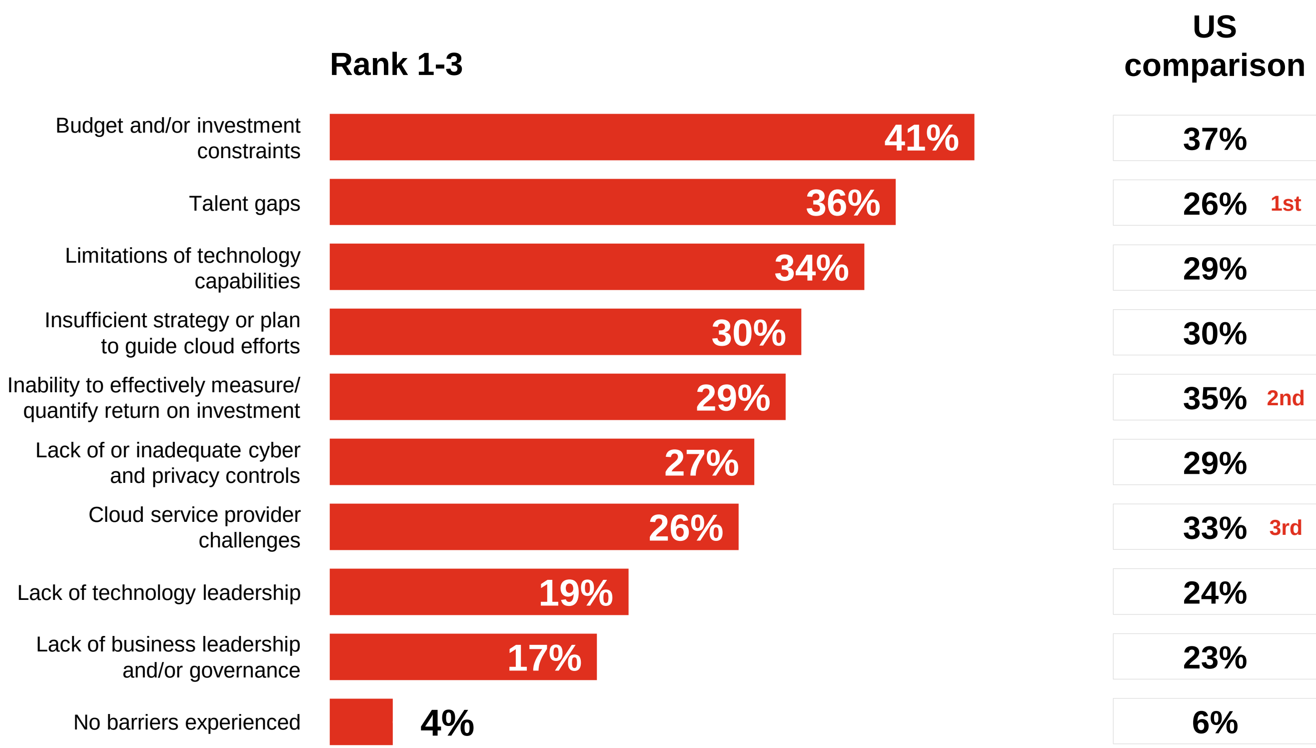
As we learned over the last year, it’s very difficult to realise cost savings in the process of cloud transformation, especially considering issues with planning, resources and time extensions. Businesses in CEE should be more focused on innovating and creating new revenue streams. The real value of business reinvention powered by cloud is in accelerating strategic outcomes through generating new business models. Chasing only cost-saving goals can become a constraint which distracts from thinking about new business potential.

Gabriel Voicilă
Digital Technology Partner,
PwC Romania

Budget constraints, talent gaps and limitations of technology capabilities are the main barriers to achieving value

Question: Which of the following have been the biggest barriers to achieving measurable value from cloud technologies?

Barriers to achieving measurable value (CEE companies)



As everywhere, obstacles are an integral part of the cloud transformation process. For CEE companies, the main barriers to achieving measurable value from cloud technologies are budget and/or investment constraints at 41%, talent gaps (36%) and limitations of technology capabilities (34%). In the US, the top three look different. The main obstacle is the same, budget constraints, cited by 37%, but it's followed by the inability to effectively measure/quantify returns on investment at 35%, and cloud service provider challenges (33%). These differences may reflect that US companies' greater maturity in regard to cloud adoption.

Our region is only speeding up on its way to cloud transformation, and I see prospects for it, especially looking at the eagerness of CEE companies to adopt the cloud. There is a visible disconnect between the low maturity of the market and the highly ambitious targets for the next two years, as a substantial majority of companies who are not all-in on the cloud plan to move a big part of their operations there.

Talking about issues, I have to say that from our experience, although finding the talent needed after migration to the cloud is an obstacle to reaching full cloud potential, educating CIOs and CTOs seems to be a problem of equal value.

Andrei Ghiorghiu
CEO, BlueTweak

4

Cloud architecture, operations and capabilities

"One cloud service provider primarily and others for specialised services" is the most popular cloud architecture among CEE companies

Regarding cloud architecture, over half (57%) of CEE companies are using one main provider, supplemented with other providers for specialised services, which is similar to the US findings (53%). Over a quarter (27%) use one provider exclusively for all workloads in CEE, versus 34% in the US. This option was chosen by 52% of CEE companies with high cloud maturity.

Question: Which of the following best describes your cloud architecture?

Cloud architecture (CEE companies vs US companies)

27%
One cloud service provider exclusively for all workloads

vs 34% in the US

57%
One cloud service provider primarily and others for specialised services

vs 53% in the US

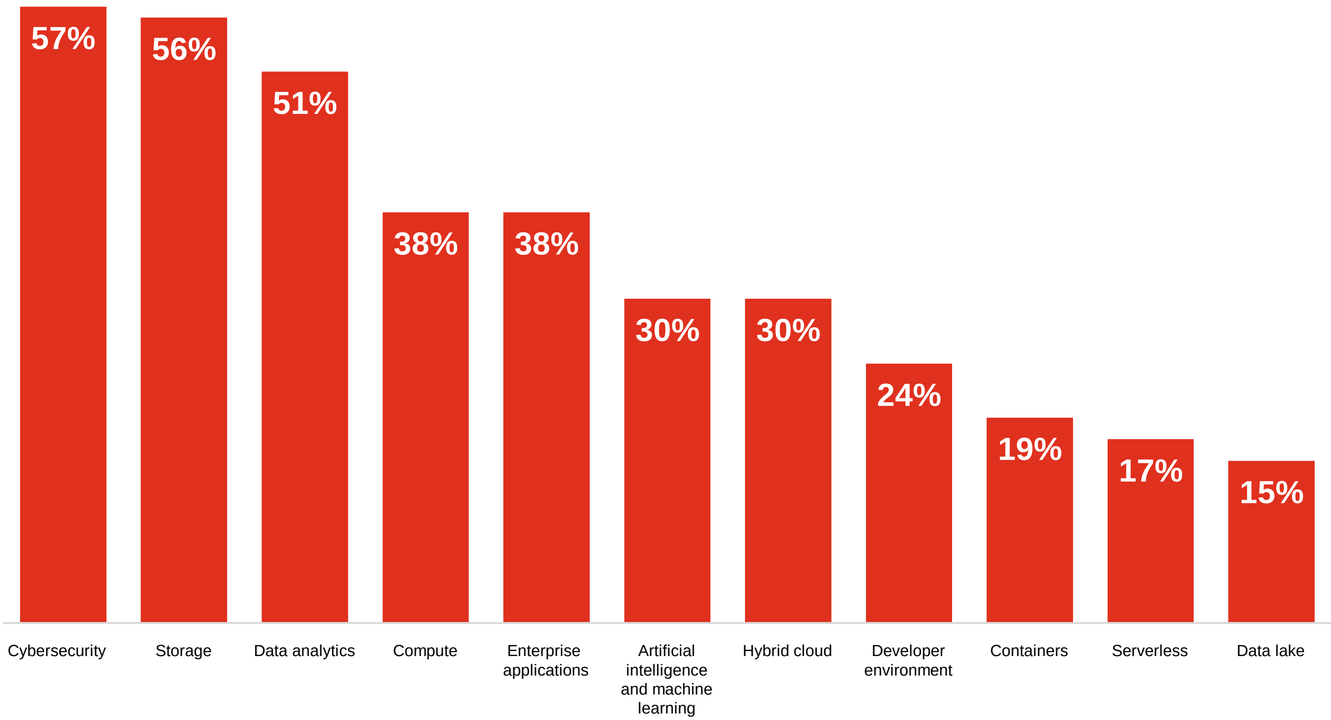
13%
Variety of providers for different types of workloads with no dominant provider

vs 12% in the US

Cybersecurity, storage and data analytics are cloud capabilities to be prioritised by more than half of CEE companies in the next 12 months

Question: Which cloud capabilities are you prioritising in the next 12 months?

Cloud capability priorities for the next 12 months (CEE companies)



When looking at cloud capabilities, companies in CEE are prioritising cybersecurity (57%), storage (56%) and data analytics (51%) over the next 12 months. Compared to other CEE organisations, cloud-powered companies are more likely to be prioritising almost all of their cloud capabilities in the next 12 months. In addition, certain cloud capabilities – enterprise applications, and artificial intelligence and machine learning – are more likely to be prioritised by companies of medium maturity (50% and 41%, respectively) and those taking a combination approach (58% and 43%).

”

In a business landscape where words like 'uncertainty' and 'chaos' appear with alarming regularity, time to insight is now the critical strategic business transformation imperative for companies that want the decision intelligence required to thrive. Given the sheer volume of data decision-makers need to wrangle to see 'around corners' and thrive, investment in the cloud is critical. The cloud is the most effective way to store, access, and analyse large volumes of data. Cloud computing also provides the scale and agility needed to take advantage of a world of unprecedented and automated data analytics potential to quickly convert data into meaningful decision intelligence.

Jason Janicke
Senior Vice President,
EMEA, Alteryx

Modernising data one business area at a time is a top data strategy for tech leaders in CEE

Technology leaders were asked about their company's data strategy as they embrace the cloud. The majority of tech leaders (59%) are adopting a strategy of modernising data in silos across the business. Only one-third (34%) have an enterprise-wide strategy for modernising data, compared with two-thirds in the US.

Question: As you embrace the cloud, which of the following best describes your company's data strategy?

Company's data strategy (CEE companies vs US companies)

59%

We're modernising our data one business area and/or application at a time

39% in the US

34%

We have an enterprise-wide strategy for modernising our data distinct from specific cloud initiatives

60% in the US

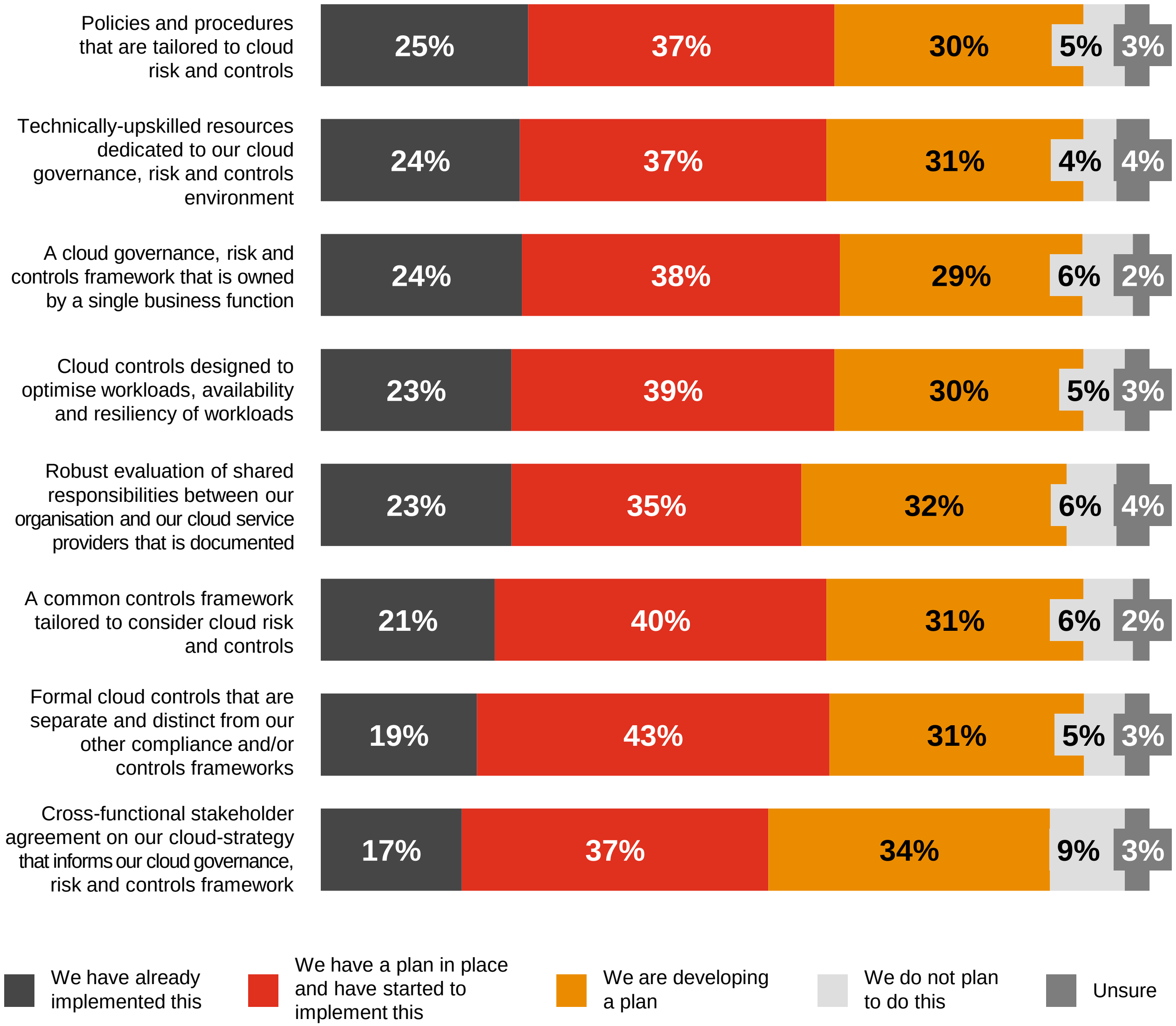
6%

Waiting and seeing

2% in the US

Question: How would you assess the maturity of your company's cloud controls across the following areas?

% implementing cloud controls (CEE companies)



Implementing leading practices for cloud governance, risk and controls is crucial for companies in CEE to leverage cloud technologies as enablers for further development

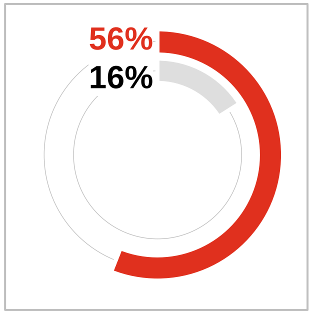
Assessing the maturity of companies' cloud controls in CEE, around one-fifth have implemented cloud governance, risk and controls across the eight dimensions identified by PwC as leading practice. Those that have embedded cloud across all or most of their business are more likely to have already implemented cloud controls.

However, there is an opportunity to support CEE companies as the majority have not yet implemented cloud controls, and around one-third are only at the planning stage.

Cloud-powered companies in CEE report that they have implemented cloud controls across different areas from 2x to 3.5x more often than other companies in CEE. They are significantly more advanced than other companies in adopting leading practices across cloud governance, risk and controls. However, even within this group, there is an opportunity for improvement as US cloud-powered companies are even further ahead.

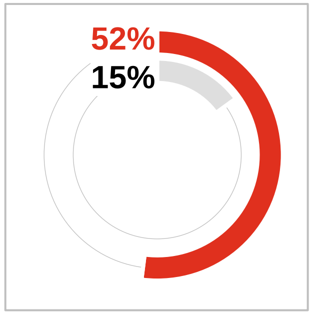
Question: How would you assess the maturity of your company's cloud controls across the following areas?

% stating they have implemented cloud controls (CEE cloud-powered companies vs CEE other companies + US cloud-powered companies vs. US other companies)

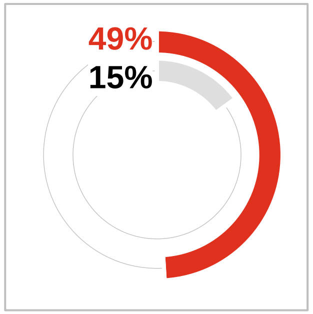


US: 84% | 36%

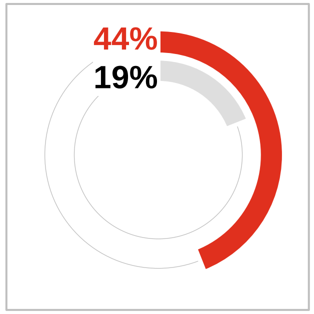
A cloud governance, risk, and controls framework that is owned by a single business function"



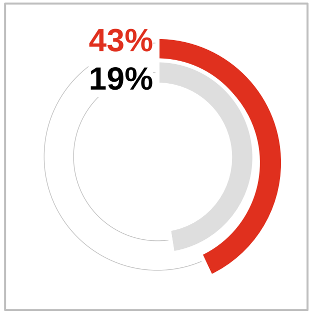
Robust evaluation of shared responsibilities between our organisation and our cloud service providers that is documented



A common controls framework tailored to consider cloud risk and controls

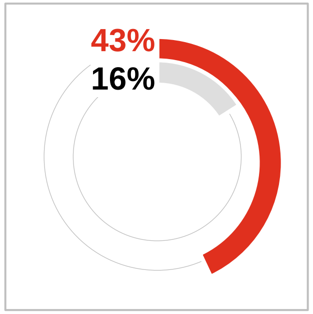


Policies and procedures that are tailored to cloud risk and controls



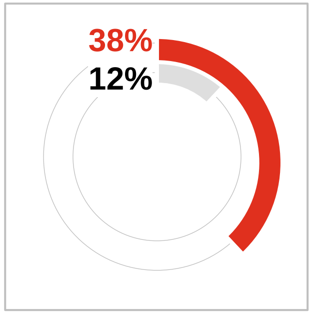
US: 82% | 33%

Technically-upskilled resources dedicated to our cloud governance, risk and controls environment

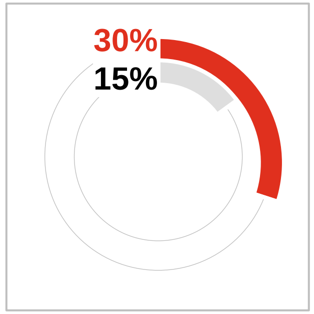


US: 87% | 37%

Cloud controls designed to optimise workloads, availability and resiliency of workloads



Formal cloud controls that are separate and distinct from our other compliance and/or controls frameworks



Cross-functional stakeholder agreement on our cloud strategy that informs our cloud governance risk and controls framework

CEE – cloud-powered companies
CEE – other companies

The modern definition of cloud is not a technology definition, it's not IaaS, PaaS or SaaS. It's also not a different model for delivering IT resources. With the cloud we are beyond technology, because it supports business goals and brings innovation and speed. Whatever our organisation needs to speed up or implement or even to create innovation, cloud is the catalyst and the missing piece of any business jigsaw puzzle.

Organisations today are speeding up their cloud transformation programmes, where cloud is the base platform for applying technology trends, addressing business and market demands and being a catalyst of innovation. Still, many companies start to implement the cloud the wrong way – without understanding that the main advantage of cloud is acceleration in many business areas and direct transformation of the business. This process is called "speeditisation". It means that organisations should utilise the cloud to speed up processes that help them streamline transformation continuously and, at the same time, achieve their business objectives faster.

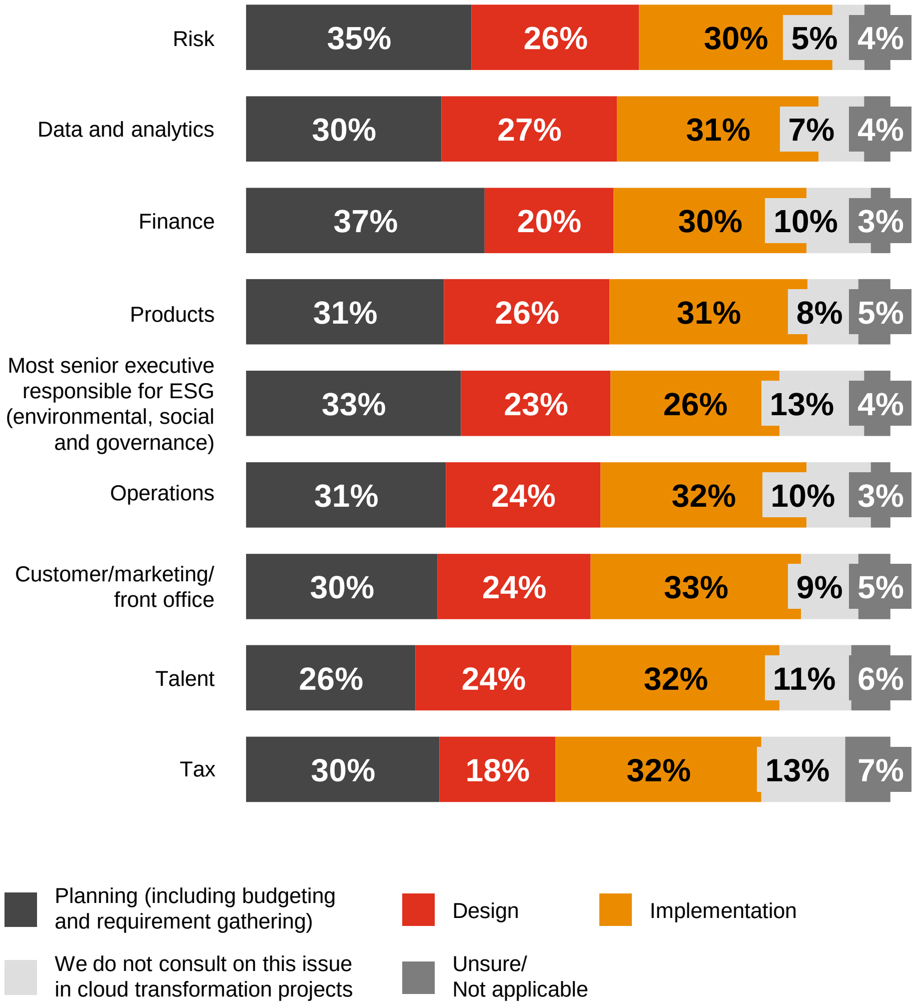
Przemysław Galiński
Cloud & Digital Director,
PwC CEE

5

Stakeholder collaboration

Question: At which stage, if at all, in a cloud transformation project, do you start to collaborate with the leaders or team responsible for each of the following:

Collaboration through company's transformation (CEE companies)



There is an opportunity for earlier collaboration in cloud transformation projects with C-suite executives across the business

Successful cloud transformation requires effective communication and collaboration across stakeholders. We've noticed that executives are starting to collaborate with different leaders (or teams) at different stages, if at all.

Around one-third are collaborating with other leaders across their company as early as possible – at the outset of cloud transformation. But most are not starting to collaborate until the implementation stage, or not at all, and there is an opportunity to change that by involving C-suite executives across the business, particularly leaders in Marketing, HR and Tax. Almost half of respondents do not consult these leaders early in the process or at all.

Furthermore, although talent gaps are the second main barrier to achieving measurable value from cloud technologies, collaboration with the talent leader has one of the lowest results at the planning stage (26%). This seems to be a key area to focus on.

Meanwhile, cloud-powered companies consistently collaborate at the planning stage across all areas.

Cloud is seen by us as a strategic enabler and technical basis of our digital agenda which is supporting rapid business transformation and expansion of Stock. We have started the implementation of cloud-based solutions in many areas of our business, especially in the area of Data Analytics, where fast pace, accuracy and security – which can be offered by cloud technologies – are crucial for making timely business decisions and maintaining a competitive edge.

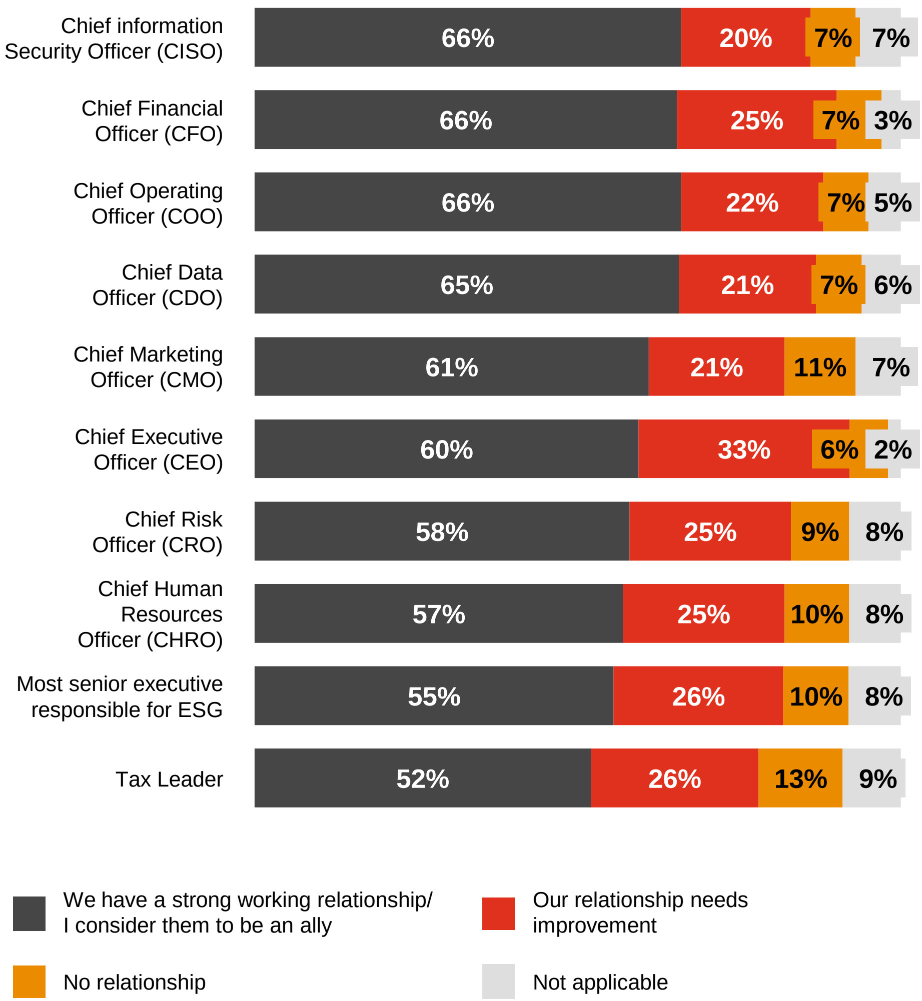
Due to the implementation of cloud-based solutions we are changing the ways we work, re-designing the processes and increasing automation. Our colleagues can now focus on analysing actual data more efficiently and making informed decisions.

We are also aware of challenges such transformation carries, like talent gaps which can slow down progress towards achieving tangible benefits from cloud adoption. However, the cooperation of all stakeholders inside the company is key to finding an effective solution – either internally or by engaging a party that can contribute to bridging the talent gap

Małgorzata Jaworska
Chief Information Officer, Stock Spirits Group

Question: Which of the following best describes your relationship with each of these executives specifically in relation to achieving your cloud transformation goals?

Stakeholders relationship



Relationships are relatively strong with the CISO, CFO, COO and CDO. However, there is an opportunity to improve, particularly with the CEO

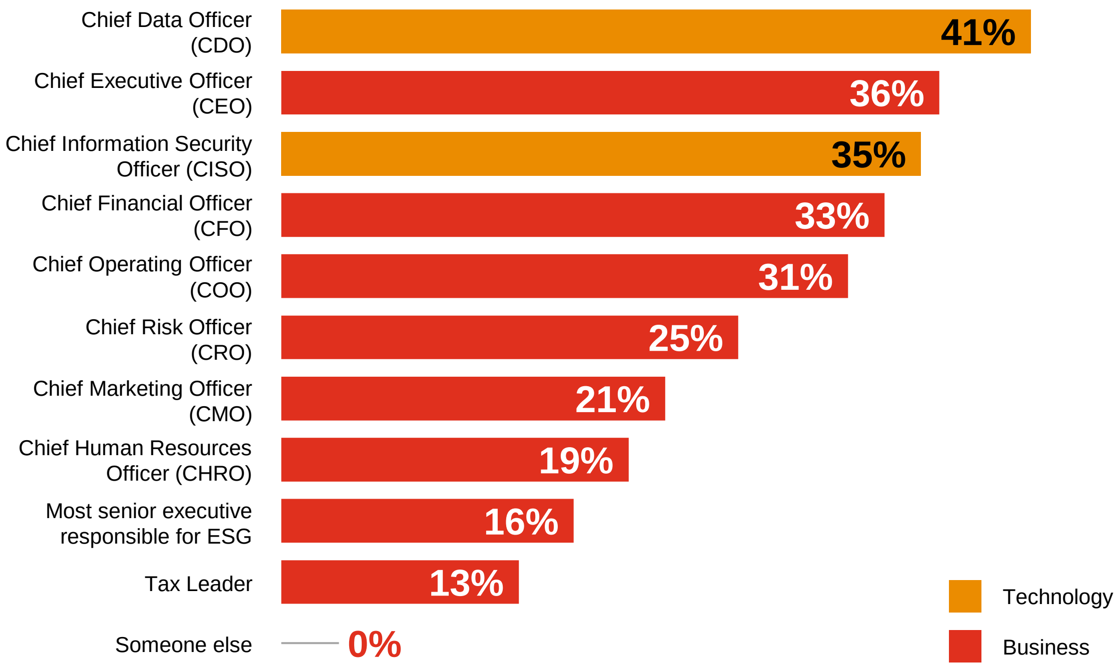
To have a closer look at stakeholders' collaboration, we asked the respondents to describe their relationship with each other executive in regard to achieving their cloud transformation goals. The results show that relationships are relatively strong with the Chief Information Security Officer (CISO), Chief Financial Officer (CFO), Chief Operating Officer (COO) and Chief Data Officer (CDO). Over a third of respondents say that their relationship with the CEO needs improvement. One in ten reports that they do not have a relationship with the Chief Human Resources Officer (CHRO), the Chief Marketing Officer (CMO), the most senior executive responsible for ESG, or their Tax leader.

Respondents at cloud-powered companies are more likely to have stronger alliances with their C-suite colleagues, to facilitate a collaborative approach to cloud transformation, compared with other companies.

Question: Which of the following executives will you prioritise your relationship with over the next 12 months to achieve your company's cloud transformation goals?

What relationship will you prioritise over the 12 months?

Rank 1-3



Over the next 12 months, executives are prioritising their relationships with their CDO (41%), followed by their CEO (36%) and CISO (35%). This is encouraging for two reasons. First, relationships with CEOs were identified by CEE executives as those requiring the most improvement, and this may help improve collaboration. Second, cybersecurity is the most frequently cited cloud capability that CEE executives are prioritising to improve over the next 12 months, so it seems they have aligned their priorities for capabilities and relationships.

However, even though talent gaps are the second biggest barrier, the relationship with the CHRO is in the lower part of the graph, with 19%.

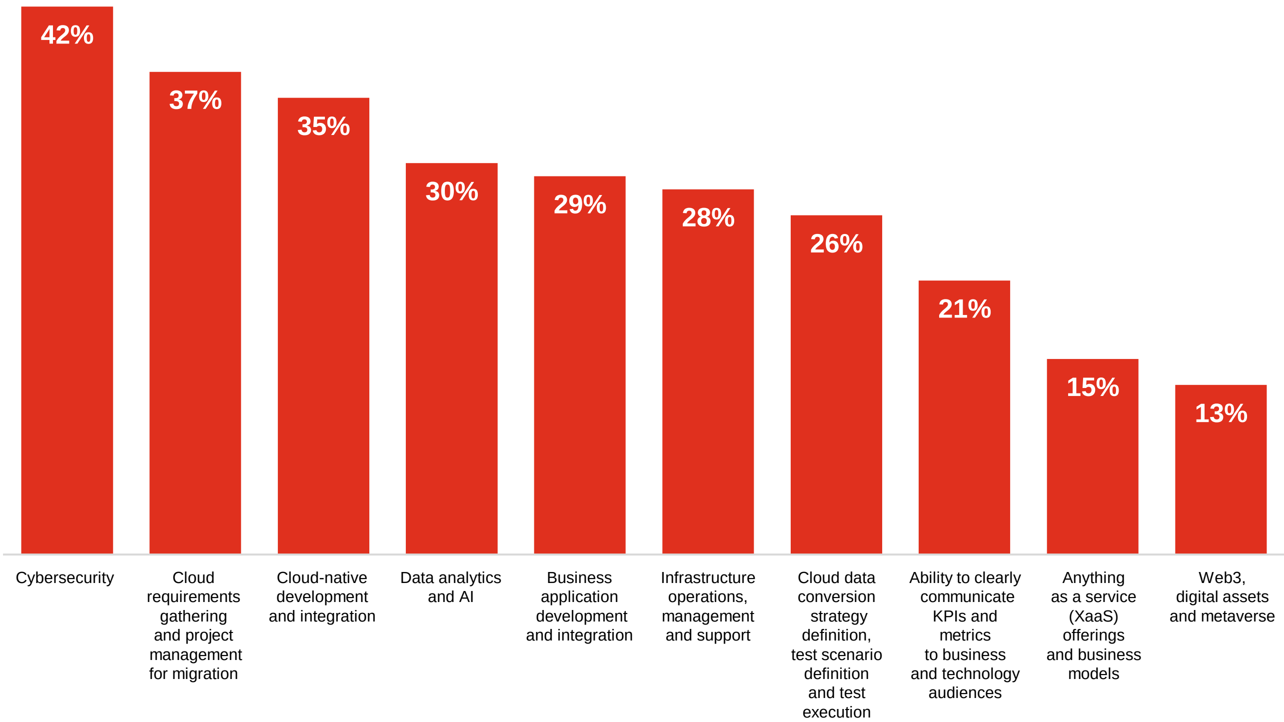
6

Technology skills

Cybersecurity, cloud requirements gathering and cloud-native development and integration are the top tech skills to develop in the next 12 months

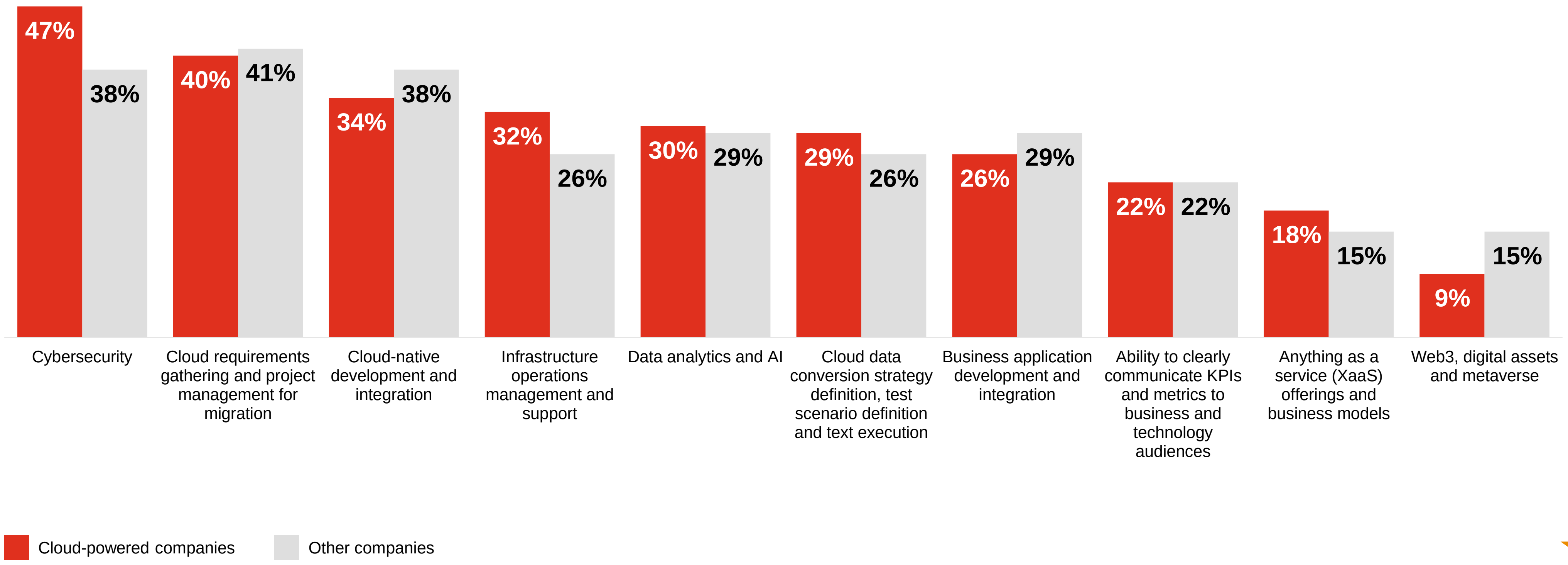
Question: Which technology skills are most important to build over the next 12 months in order to achieve your cloud transformation goals?

Most important technology skills over the next 12 months (CEE companies)



We asked our respondents which technology skills are most important to build in order to achieve their cloud transformation goals. Cybersecurity (42%), cloud requirements gathering (37%) and cloud-native development and integration (35%) were considered the main tech skills to build on in the next 12 months. Cloud-powered companies have the same top three but with slightly different results: cybersecurity (47%), cloud requirements gathering (40%) and cloud-native development and integration (34%).

Most important technology skills over the next 12 months ranked 1–3
(CEE cloud-powered companies vs CEE other companies)



Taking a more detailed look, some tech skills were considered more important by non-cloud-powered organisations than by cloud-powered ones: cloud requirements gathering (41% vs. 40% for non-cloud-powered companies vs. cloud-powered), cloud-native development and integration (38% vs. 34%), business application development and integration (29% vs. 26%), as well as web3, digital assets and metaverse (15% vs. 9%). This is likely because cloud-powered organisations have already reached some level of development in these skills and prioritise them less than other companies, which are on their way to moving further in the cloud transformation journey.

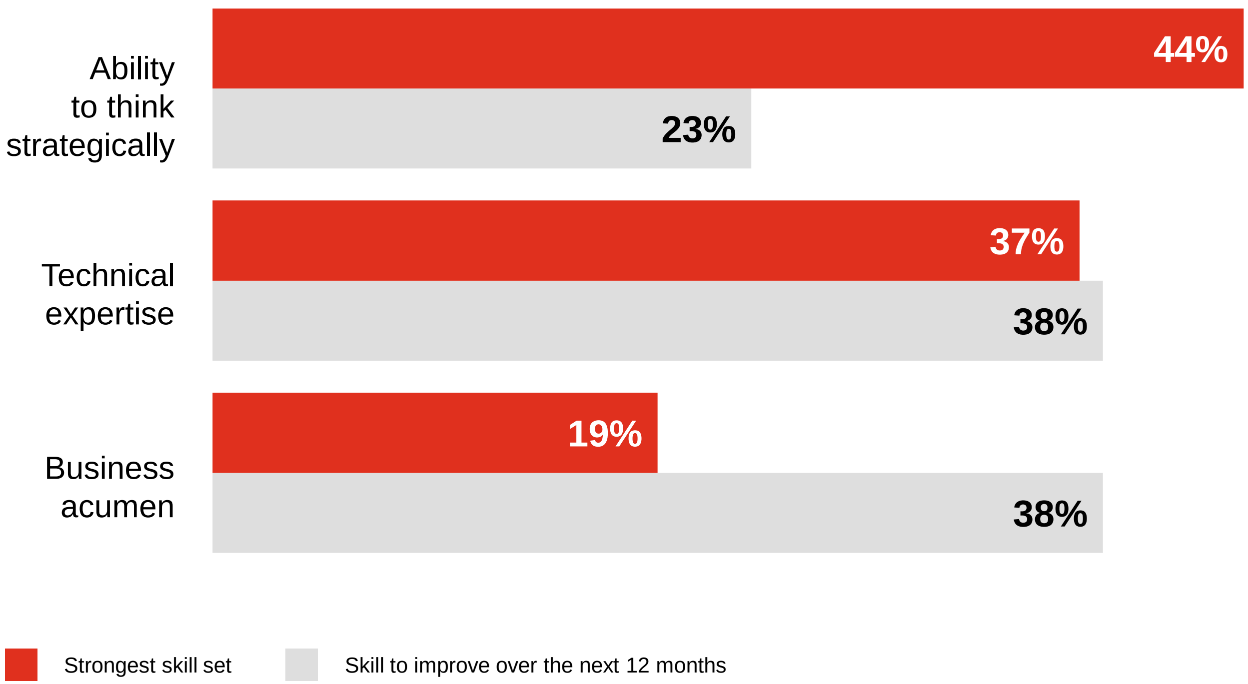
Again, we see that prioritising cybersecurity among technology skills is aligned with the cloud capabilities companies want to improve over the next 12 months.

The ability to think strategically is the most important skill for tech leaders

“A strategic mindset” received an 8.34 mean score as the most crucial skill for tech leaders among respondents from tech roles and CEOs. Additionally, 44% consider the ability to think strategically as the strongest skill of tech leaders. However, business acumen has the biggest skills gap to close, as 19% report that it’s the strongest skill set of technology leaders, and 38% say tech leaders hope to improve it in the next 12 months.

Question: How important is each of these skill sets to your job as a technology leader? Which of these is personally your strongest skill set? Which skill set are you hoping to improve in the next 12 months?

Important skill sets for technology leaders



Ability to think strategically	8.34
Communication at a technical level	8.12
Technical expertise	8.05
Communication with management and stakeholders	7.83
Business acumen	7.79

Contact us

Mariusz Chudy

Partner, Technology Alliances Leader,
PwC Central and Eastern Europe

mariusz.chudy@pwc.com

Gabriel Voicilă

Digital Technology Partner,
PwC Romania

gabriel.voicila@pwc.com

Petr Ložek

Lead Partner, Consulting,
PwC Czech Republic

Tel: +420 724 258 609
petr.lozek@pwc.com

Przemysław Galiński

Cloud & Digital Director,
PwC Central & Eastern Europe

Tel: +48 519 507 833
przemyslaw.galinski@pwc.com

Paweł Kaczmarek

Cloud & Digital Director,
PwC Central & Eastern Europe

Tel: +48 509 287 983
pawel.kaczmarek@pwc.com

Jeffery McMillan

CEE Director of Brand, Marketing & Communications,
PwC Central and Eastern Europe

Tel: +48 519 506 633
jeffery.mcmillan@pwc.com

Marta Laskowska

CEE Digital Marketing & Brand Manager,
PwC Central and Eastern Europe

Tel: +48 519 505 529
marta.laskowska@pwc.com