

October 12, 2017



Technology Not the Most Digitally Sustainable Industry, According to New Korn Ferry Index

- *Financial Services Industry Ranks Highest; Consumer, including Retail, Ranks Lowest* -
- *U.S. and U.K. are Most Digitally Sustainable of 14 Countries Measured – Brazil and Turkey Last* -
- *Companies that Continually Adapt to Changes in the Digital Economy Are More Profitable* -

LOS ANGELES--(BUSINESS WIRE)-- Korn Ferry (NYSE:KFY) today announced findings from an in-depth global study that finds the technology industry is *not* the most digitally sustainable of the industries included in the analysis.

Editor's Note: [Click Here for Report/Information](#)

The study, called “Korn Ferry Digital Sustainability Index,” is a measure of a business’s ability to adapt effectively and continuously to keep up with the constant state of flux in the digital economy.

“Being digitally mature today is not enough: the new economy demands companies that are built to change, forever iterating,” said Melissa Swift, Korn Ferry Hay Group Global Digital Solutions Leader. “Leaders must recognize that with new products, services and brands entering the market at lightning speed, transformation is needed not just once, but over and over again.”

As part of the study, researchers analyzed 362 companies in 14 countries and across five industries. The ranking is based on five core leadership and organizational dimensions of digital sustainability: Agility, Connectivity, Discipline & Focus, Openness & Transparency and Empowerment & Alignment.

The Index shows a correlation to profitability. High performers in the Digital Sustainability Index see a 5.6 percentage point increase in profit margin (EBITDA) versus the low performers.

Industry rankings on the Korn Ferry Digital Sustainability Index

Researchers found that the Financial Services Industry ranked highest in the Digital Sustainability Index among the five industries in the study.

“Financial companies have, for some time, had the compelling commercial drive to shift culture, processes and practices – seeking to protect customer data and market share while

meeting new customer and talent demands,” said Michael Franzino, President, Korn Ferry Global Financial Services Practice. “Increasing global investment in fintech and intense competition from fintech hybrids have also triggered definitive action.”

Surprisingly, the Technology industry did not make the top spot in the Korn Ferry Digital Sustainability Index, coming in at No. 2.

“The Technology sector is not only made up of the high-growth ‘unicorns’ and disruptors of the world, but also decades-old legacy tech giants in need of structural, cultural and work process reform,” said Werner Penk, President, Korn Ferry Global Technology Practice. “The more traditional firms – once pioneers of the industry – now need to overhaul their strategies and work processes to ensure future survival.”

Rounding out the industry rankings for the Index, in order, are: Life Sciences & Healthcare (No. 3), and Industrials (No. 4). Consumer companies, including retail, came in last at No. 5.

“Consumer companies are at a crossroads. Many have one foot in the digital world and one foot in the traditional storefront,” said Craig Rowley, Korn Ferry Senior Partner, Consumer and Retail. “Companies have adapted to e-commerce and have reduced time to delivery, but many are still playing catch up rather than anticipating what customers will want next. Leaders need to look way beyond the now and move as quickly as the industry is evolving.”

Country rankings on the Korn Ferry Digital Sustainability Index

Based on the dimensions within the Index, researchers found that the United States ranked highest in Digital Sustainability.

However, experts warn that to keep its top spot, U.S. companies must look beyond pure-play technology to the human side of maintaining success. “U.S. organizations must focus on improving the people aspect of their business operations if they are to continue as digital sustainability leaders and gain the long-term financial advantages associated with it,” said Karin Lucas, President, North America Korn Ferry Hay Group.

The United Kingdom ranked second out of the 14 analyzed nations for being digitally sustainable.

“The traditional dominance of the U.K. as a digital economy leader could be under threat from rising global players, unless steps are taken to invest strategically, build a skilled, specialized workforce, and develop enviable networks, at home and abroad,” said Matt Crosby, a Korn Ferry Senior Client Partner based in London. “Indeed, the government needs to consider increasing connections beyond its borders now more than ever to drive partnerships, strengthen trade and share ideas and innovation.”

The three countries that were at the bottom of the list on the Korn Ferry Digital Sustainability Index were Mexico (No. 12), Brazil (No. 13) and Turkey (No. 14).

“Clearly there are vast discrepancies in organizations’ capacity to continuously adapt to the digital economy across industries and regions,” said Swift. “But even for those companies that rank highly in the study, continuous improvement in this area is critical not only for success, but for survival.”

METHODOLOGY

Korn Ferry's Digital Sustainability Index (DSI) is based on economic modeling commissioned by Korn Ferry, designed by the Korn Ferry Institute and Oxford Analytica. This research redefines transformation in the context of significant and ongoing digital change, and establishes digital sustainability—an organization's ability to continuously adapt and thrive in the digital economy—as a critical driver of financial success now and in the future.

The study combines proprietary Korn Ferry and publicly available data to quantify digital sustainability. It benchmarks 362 companies across five industries and 14 countries on the five dimensions that drive digital sustainability. Each industry and country is ranked based on its DSI score out of 100—reflecting its digital sustainability and performance in each dimension.

Industries: Consumer, Financial Services, Life Sciences & Healthcare, Industrials, Technology

Countries: Australia, Brazil, China, France, Germany, India, Japan, Mexico, Netherlands, Middle East, Russia, Turkey, UK, US

Dimensions: Agility, Connectivity, Discipline & Focus, Empowerment & Alignment, Openness & Transparency

About Korn Ferry

Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our more than 7,000 colleagues deliver services through our Executive Search, Hay Group and Futurestep divisions. Visit kornferry.com for more information.

View source version on businesswire.com:

<http://www.businesswire.com/news/home/20171012005176/en/>

Korn Ferry
Tracy Kurschner, 612-309-3957
Tracy.Kurschner@Kornferry.com

Source: Korn Ferry