their oversight role

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Information technology is a top priority for today's boards as directors spend more time on IT and recognize the increased importance of effective IT oversight, according to new research released as part of PwC US's 2013 Annual Corporate Directors Survey.

With technology rapidly changing the way companies do business, more boards are turning to outside consultants for advice on IT strategy and risk oversight. Meanwhile, directors are also taking a close look at their companies' ability to embrace digital transformation and strategically utilize emerging technologies.

In today's release, PwC provides an inside look at the area of IT oversight. Conducted in the summer of 2013, 934 public company directors responded to the survey. Of those, 70% serve on the boards of companies with more than $1 billion in annual revenue.

"The technology revolution is significantly impacting the boardroom, prompting directors to increase their time and focus on IT, reconsider their oversight approach and seek new ways to enhance their digital IQ," said Mary Ann Cloyd, leader of PwC's Center for Board Governance. "While directors have made notable strides to improve effectiveness of oversight, ensuring IT strategy and risk are woven into their company's overall business plan remains a challenge."

Key survey findings include:

- **Increased importance of IT.** Directors noted the increasing importance of the IT revolution at their companies—15% call IT critical, up from 13% in 2012. The amount of time directors spent overseeing IT increased correspondingly. Despite

the fact that about one-third of boards spent more time on IT, 61% want to spend

recognition of the importance of effective IT oversight, 82% of directors still say they do not have a sufficient understanding of IT to support the company's strategy and IT risk mitigation. Additionally, only 22% of directors say they "very much" agree that the company's approach provides them with adequate information for effective oversight.

- **Getting up to digital speed.** The majority of directors have evolved to become more actively engaged in overseeing traditional IT issues. The status of major IT implementations and the annual IT budget reflect areas with the highest levels of director engagement (80% and 63%, respectively). At the same time, directors feel they are not sufficiently engaged in understanding the company's level of cyber-security spend (24%) and competitors' leverage of emerging technologies (22%), among others.

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