

According to the 2019 Minsait Report on Digital Maturity in Spain –which focused on Data and Analytics -

THE SPANISH ENERGY INDUSTRY HAS THE OPPORTUNITY TO SPEED UP ITS DEVELOPMENT IN DATA AND ANALYTICS

- **A positive aspect is that 60% of Spanish energy companies know how data will impact their business model and which opportunities they aim to seize**
- **Large companies of the sector are encountering more difficulties than new players, which are already adapting their strategies to a business model based on data and analysis**
- **Broadly speaking, the Report shows that Spanish companies should move towards an organizational model which gives data their due importance**
- **Minsait teams possess the knowledge, methods and advanced technological expertise to aid Spanish companies in their transformation towards data-driven organizations and to help transform the potential of data into positive impacts**

Madrid, January 22nd, 2020.- Spanish energy industry companies still need to assimilate the data and analytics culture, but they are on the right track to do so. This is the takeaway from the 2019 Minsait Report on Digital Maturity in Spain, focused on Data and Analytics, which highlights that overall only 19% of Spanish companies have an approach based on the application of analytics beyond operational excellence. That is why Spanish energy companies must become aware that dealing with coming challenges and threats is only possible with deep business knowledge extracted from data.

The Minsait Report on Digital Maturity of companies in the energy industry, which was presented at a meeting organized by the Club Español de la Energía (Spanish Energy Club), highlights that probably the main weaknesses are the need to acquire more human resources and the non-existence of a data governance program. The report says that barely 10% of the energy companies in our country have enough specialists in data and analytics. Moreover, the working methods on data and analytics are mostly traditional: 90% of companies do not democratize data yet. In addition, 60% of energy companies have not yet clearly defined the responsibilities and governance model for data.

In technological terms, the industry shows improvements, although they are still small-scale ones. For example, 40% of energy companies now have real-time processing capabilities. The main challenge lies in the fact that 90% of companies have no data governance tool. However, there is a possibility of reducing operating and maintenance costs thanks to technology deployment. This deployment can be seen in companies with a clear upward trend.

Certainly, the challenge concerning this transformation process is bigger for the largest companies in the industry than for new players, which in many cases emerge with strategies that are already aligned with a business model based on data and analysis. However, the industry does not have a very aggressive approach, since only 10% of companies aspire to run disruptive businesses based on data. The rest of them focus on value of data regarding the operational excellence of their physical assets. As a consequence, the pace of change is still slow: only 30% of companies use data in their strategic decisions.

Full use of customer information has a way to go

Spanish energy utilities can improve their use of data regarding their customers, since their knowledge about them is moderate. Firstly, barely one third analyze customers' experience in order to redesign it, with moderate levels of flexibility. Secondly, customer knowledge level can still grow, since only 30% of companies use

external data to broaden their vision. 360° knowledge of customer, multi-business and multi-product management and omnichannel approaches are also challenges in which work is progressing.

With regard to sounding out environment in order to analyze competition and brand awareness, only 38% monitor it in a frequent and automatic manner. No energy utility thoroughly follows the movements of competition and only one third of them apply business intelligence when observing and managing their brand reputation.

General conclusions of the Minsait Report of Digital Maturity

As a whole, Spanish companies are some way from having a Data Driven Organization (DDO), which is shown by the fact that only 46% of all Spanish companies give data their due importance in their strategies and have programs intended to evolve towards this type of organization. Few companies are paying attention to their data lifecycle management capabilities: only 19% have an approach based on applying analytics beyond operational excellence.

More information included in the 2019 Minsait Report on Digital Maturity in Spain:

- As regards strategy, the study points out that the data-centric approach needs to take hold more solidly, making data analytics an integral part of company strategy: only 56% of the companies have a clear vision of the opportunities that data offer.
- With regard to organization, it states that, while management supports maturity for the application of data and analytics in 65% of companies, only 23% of Spanish companies claim that they have a solid data governance of acceptable quality, and only 17% have implemented policies regarding control, maintenance, and continuous improvement of algorithms.
- With regard to culture and talent, only 17% of companies report that they have enough specialists in data and analytics. Likewise, only 28% of companies claim to have a data quality culture, and only one fourth implement new working methods driven by data (new methodologies, democratization, sharing).
- Concerning technology, only 30% of the organizations have implemented Big Data technologies, and 11% use tools to optimize data governance (dictionaries, MDM, modeling, quality, etc.).

The Minsait Report also analyzed how developments in analytics are deployed and how they are transferred to the four-dimensional value chain:

- As regards innovation, 10% of companies have an observatory of trends related to data, and 8% have an automatic market observatory to detect innovation opportunities.
- Concerning customers, only 26% of companies in the report use external data to improve customers' added knowledge and only 19% continuously monitor customer experience to redesign it.
- As for operations, 27% of companies seize the opportunities that analytics offer, but only 6% apply intelligent optimization to their IT function, and 11% apply it to their financial function.
- In terms of security, almost 80% comply with strict policies and mechanisms which guarantee secure access to user data. However, only 40% of companies use analytical techniques for fraud prevention, and 17% of them use them for identifying future risks.

Benefits derived from applying a Data-Driven Organization

Minsait makes the following summary of benefits derived from investing with conviction in becoming a company that gives data their due importance:

- These companies extract value from data and achieve a high return on investments: in the short run, through operational or commercial direct optimization, or in the long run, through customer knowledge. This extends their viability as they face new players with data-based business models.
- They build capital based on intangible assets: data. This generates long-term competitive advantages with a customer-centric approach which fosters an experience-based value proposition.
- They speed up decision-making capacities, which allows them to be the first to react to a changing environment, thus better adapting to the customers' needs.
- They generate synergies around data through universal access and by enhancing the company's skills base. This reduces the time needed to develop new products, gives a global vision to many formerly departmental initiatives and creates collaborative environments which promote innovation.

Minsait teams possess the knowledge, methods, and advanced technological expertise to aid Spanish companies in their transformation towards data-driven organizations and to help them harness the potential of data to create a positive impact, offering personalized counseling to meet the competitive challenges posed by a scenario in constant transformation.

About the report

To prepare the 2019 Report on Digital Maturity in Spain, Minsait carried out research from a dual perspective: on the one hand, through personal interviews with representatives of more than 100 companies from different industries and public organizations; on the other hand, through conversations with professionals with recognized experience in the field of data governance.

About Indra

Indra (www.indracompany.com) is one of the leading global technology and consulting companies and the technological partner for core business operations of its customers world-wide. It is a world-leader in providing proprietary solutions in specific segments in Transport and Defense markets, and the leading firm in Digital Transformation Consultancy and Information Technologies in Spain and Latin America through its affiliate Minsait. Its business model is based on a comprehensive range of proprietary products, with high-value focus and highly innovative features. In 2018 Indra received income totaling €3.104 billion and had 40,000 employees, a local presence in 46 countries and business operations in more than 140 countries.

About Minsait

Minsait, an Indra company (www.minsait.com), is the leading firm in Digital Transformation Consultancy and Information Technologies in Spain and Latin America. Minsait has a high degree of specialization and sector knowledge, which complements its high capacity to integrate the core world with the digital world, its leadership in innovation and digital transformation and its flexibility. In this way, it focuses its range of products and services on high-impact value propositions, based on end-to-end solutions, with a high degree of segmentation, which allows it to achieve concrete results for its customers in each industry with a transformational approach. Its capabilities and leadership are demonstrated in its product range, under the brand name Onesait, and its across-the-board range of services.