



# Technology Industry Outlook

## June 2014

**The next data-driven future**

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## FOREWORD

**As in previous years, the Technology Industry Outlook publication identifies key trends including geographic expansion plans, emerging technology revenue streams, investment priorities and risks to company growth.**

The technology industry continues to evolve rapidly as innovation enables new business models and drivers of revenue growth. Cloud and mobile are exceeding revenue expectations and data & analytics is expected to gain stronger momentum over the next 24 months.

Reflecting the critical importance of positioning their companies for the next wave of emerging technologies, tech leaders cited competitive differentiation and anticipating customer “wants” as leading innovation drivers. The top trends identified as risks to company growth include the speed of economic recovery, slowing growth of international markets, disruptive technologies and inability to find visionary leadership.

As companies in industries such as auto, telecommunications, financial services and healthcare look at tech innovation to drive market leadership, the tech sector’s emphasis is shifting to helping customers apply growing volumes of data, sensor connectivity and predictive analytics to create new business models in consumer and enterprise markets.

We hope you find the publication insightful, and welcome feedback about the findings or suggestions for next year’s survey.



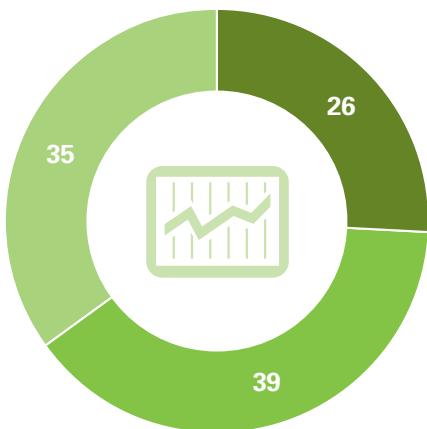
**Gary Matuszak**  
Global Chair,  
Technology, Media and  
Telecommunications, KPMG



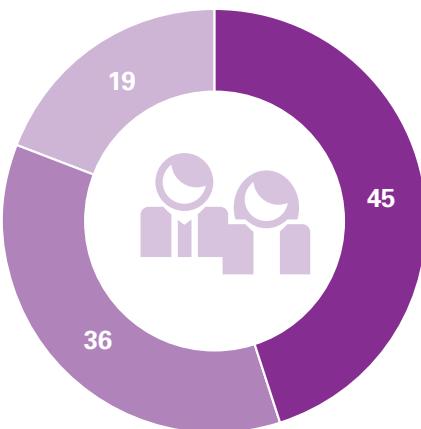
**Richard Hanley**  
Advisory Industry Leader  
Technology, Media and  
Telecommunications, KPMG LLP (U.S.)

## DEMOGRAPHICS &amp; METHODOLOGY

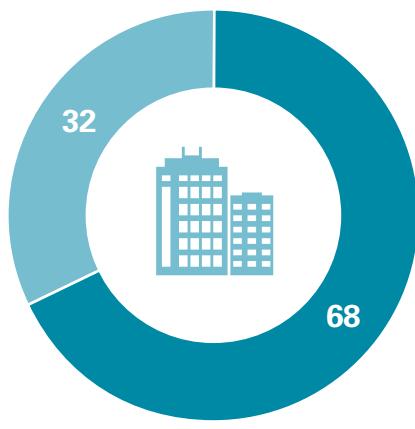
This is KPMG's 6th annual edition of the Technology Industry Outlook publication. The online survey reflects the viewpoints of 100 tech industry leaders in the United States and was conducted from March to April 2014.

**Revenue**

- \$100 million to less than \$1 billion
- \$1 billion to \$10 billion
- More than \$10 billion

**Title/Position**

- Managing Director/Director
- Executive VP/Senior VP/VP
- C-class (CEO, CFO, COO, CTO, President, etc.)

**Company Type**

- Public Company
- Private Company

## HIGHLIGHTS



### Geographic Expansion

The U.S. is gaining momentum as the top market for revenue growth, followed by China. Revenue expansion in some emerging markets, a source of industry strength in recent years, has slowed due to economic and political changes. Reflecting favorable conditions in Europe, the United Kingdom (at 42 percent, a sharp year-over-year increase) moved to third place on the revenue growth market list.



### Revenue Growth

Data & analytics growth is surging, and expected to become the leading source of tech sector revenue growth over the next two years, outpacing mobile and cloud revenue expectations. The growth of cloud and mobile revenue, paced by strong demand for apps and platforms, continues to exceed tech company expectations and to foster innovative products, services and business models.



### R&D Growth Slowing

Tech leaders are projecting slower growth in the rate of research and development investments. Many companies find purchasing talent and technologies offers a faster route to commercialization and monetization of new products and services than increasing investments in core research and innovation.



### M&A Adding Assets, Blocking Competitors

Perhaps related to slowing growth in R&D investment, tech companies are citing a need to add technology, customers, talent — or to block competitors' access to attractive assets — as factors driving current and future M&A activity.



### Employment Investments

Tech leaders believe the U.S., India, and China will be the leading markets for tech employment growth between now and 2016. Other countries with high expectations for employment growth are Canada, the U.K., and Germany.



### Tech Sector Innovation

In an industry that is characterized by constant reinvention, it is no surprise that survey respondents say technology innovation to create competitive differentiation is the top driver of the need for business transformation in the tech sector over the next three to five years.



### Security Breaches Termed Rare

Despite attention about security and privacy breaches, 85 percent of technology leaders say their company has not experienced a breach. Security concerns remain a challenge to adopting new technologies, but tech leaders say the problem is generally mitigated effectively.



### Company Growth Risks

With conditions in many markets settling into moderate growth patterns, respondents cited the speed of overall economic recovery as the leading risk to revenue growth. Other risks include disruptive technologies and, in a sector that depends on innovation to drive revenue and market share, the inability to identify and recruit visionary leadership.

## GEOGRAPHIC EXPANSION

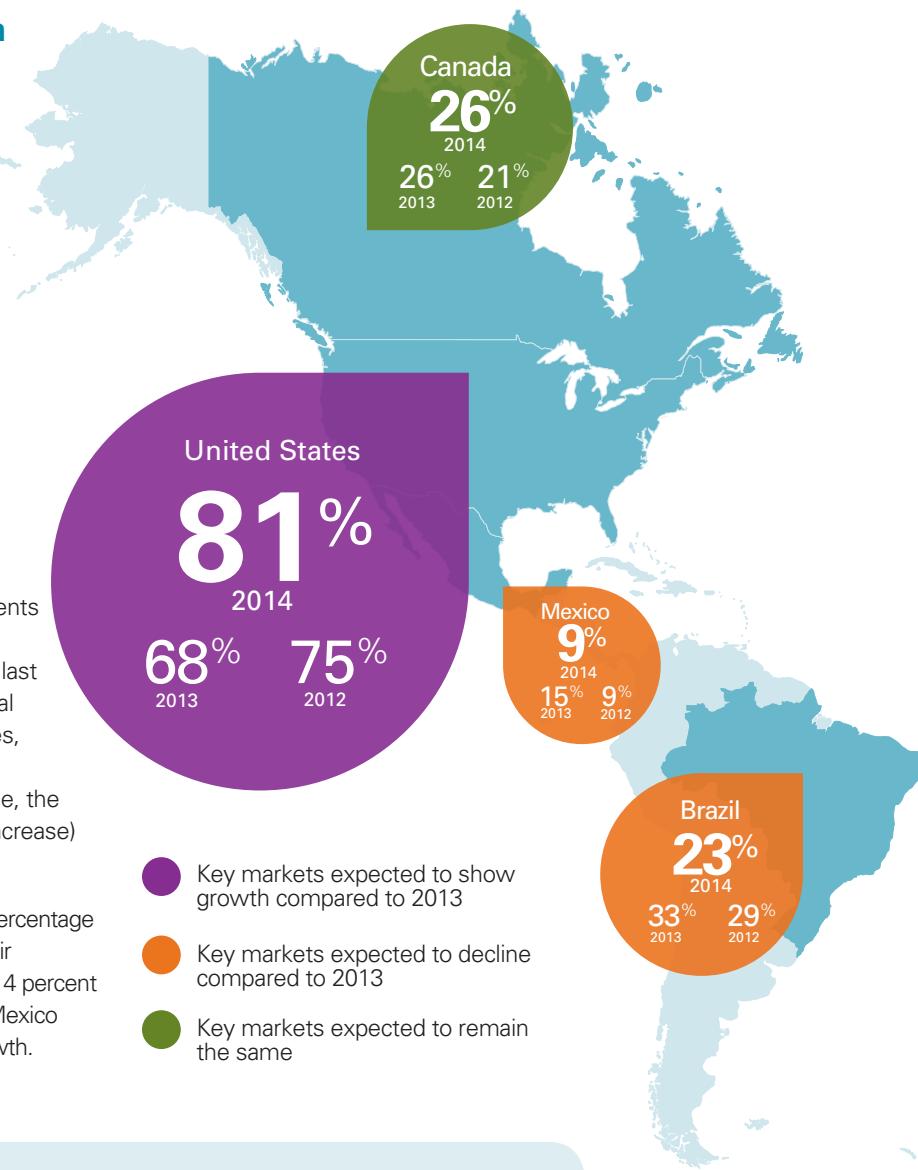
**The United States and China remain the leading markets for revenue growth, followed by increased optimism for the United Kingdom.**

**Q: Which of the following geographic markets do you believe will have the highest percentage of your company's revenue growth over the next 24 months?**

Tech leaders continue to expect the United States and China to drive the highest revenue growth rate for their companies, but economic and political changes in several markets have shifted the geographic outlook.

The U.S. is gaining momentum as the top market for revenue growth, selected by 81 percent of the respondents – higher than results in the prior three annual surveys – followed by China at 47 percent (down from 53 percent last year). Slowing growth rates in China, likely tied to political trends and reduced spending by state-owned enterprises, expanded the margin between that nation and the U.S. Reflecting more-favorable economic conditions in Europe, the United Kingdom (at 42 percent, a sharp year-over-year increase) moved to third place on the revenue growth market list.

Brazil's position as a revenue growth market declined 10 percentage points to 23 percent. Tech executives' expectations for their company's revenue growth in South Korea declined from 14 percent in 2013 to 7 percent in this year's survey. The outlook for Mexico dipped six percentage points to 9 percent for revenue growth.

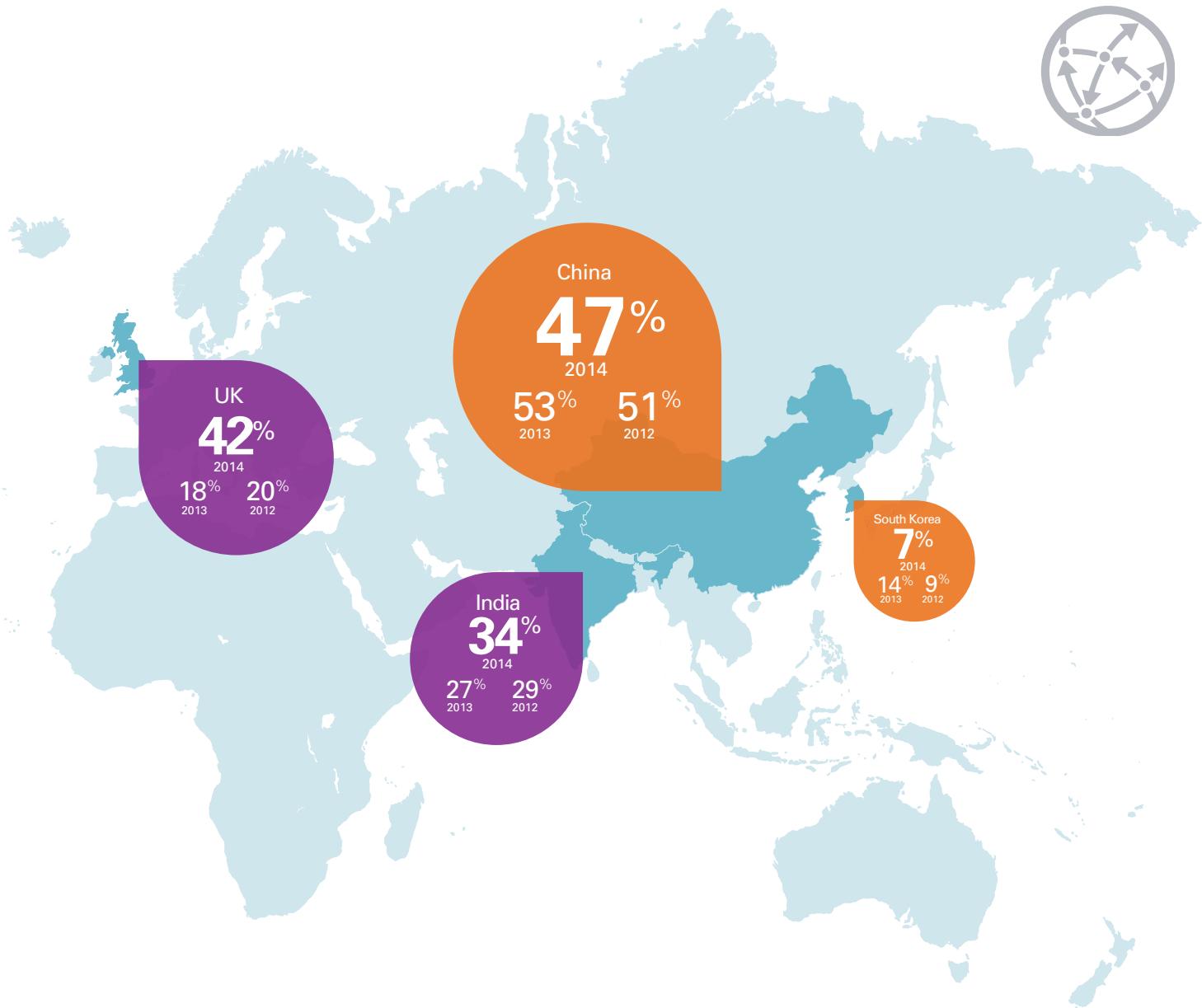


*These findings show that the UK is becoming one of the major growth countries for technology companies.*

*The results demonstrate that the UK tech sector is gaining significant strength as tech leaders are increasingly optimistic in their business outlook and recruitment plans.*

*With the increase in IPO activity, I would like to see the strong performance of UK tech companies boosting the sector and cementing the UK's position on the map of leading global tech hotspots.*

**Tudor Aw**  
Head of Technology Europe, KPMG



*Despite Korea's competitive edge in the technology industry, revenue growth in the sector is likely to decelerate due to moderate demand with one of the revenue growth engines, the smartphone market, entering its maturity stage.*

**Sung Rae Park**  
Head of Technology, KPMG Korea

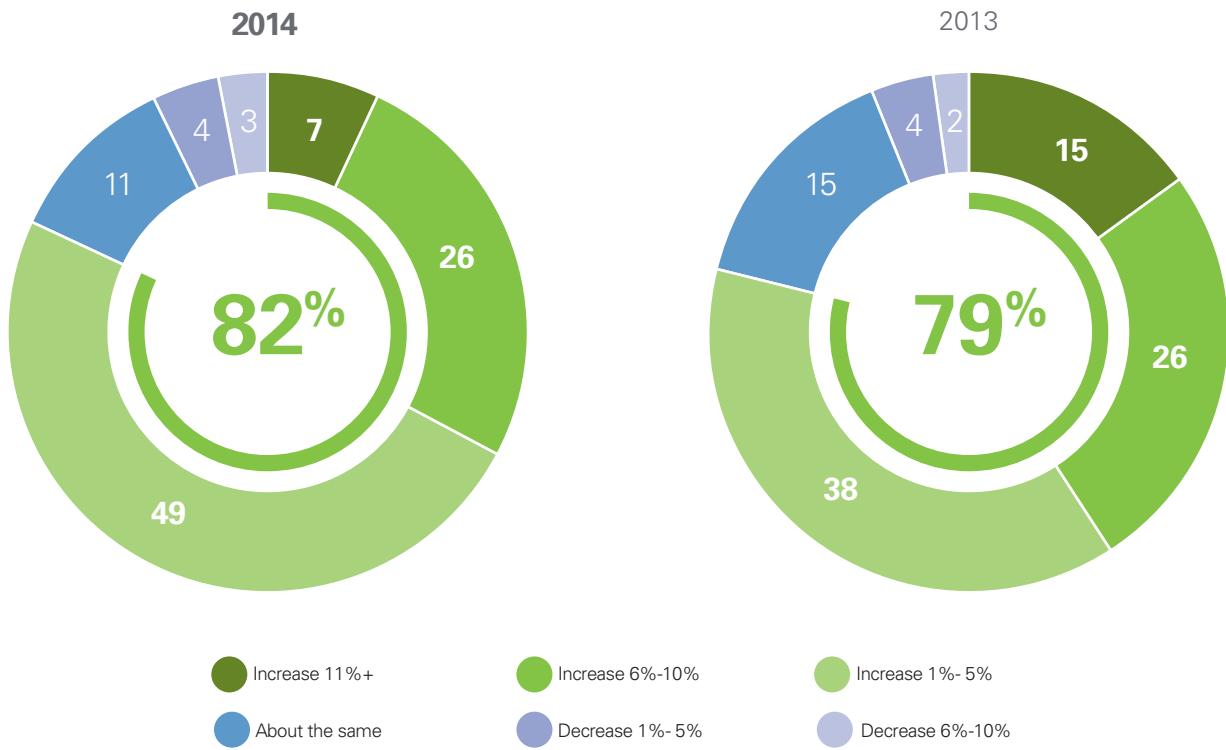
*Although there is room for tech sector growth in Brazil, especially in communications and computing markets, there are a number of potential macroeconomic challenges. Interest rates going up, the Real is devaluating against the U.S. dollar, and therefore consumption is going down.*

**Manuel Fernandes**  
Head of KPMG's Technology, Media and Telecommunications practice, Brazil and Latin America

## REVENUE GROWTH: The next 12 months

**Most expect their revenue to grow over the next 12 months.**

Q. How do you expect your company's revenue to change in the next 12 months?

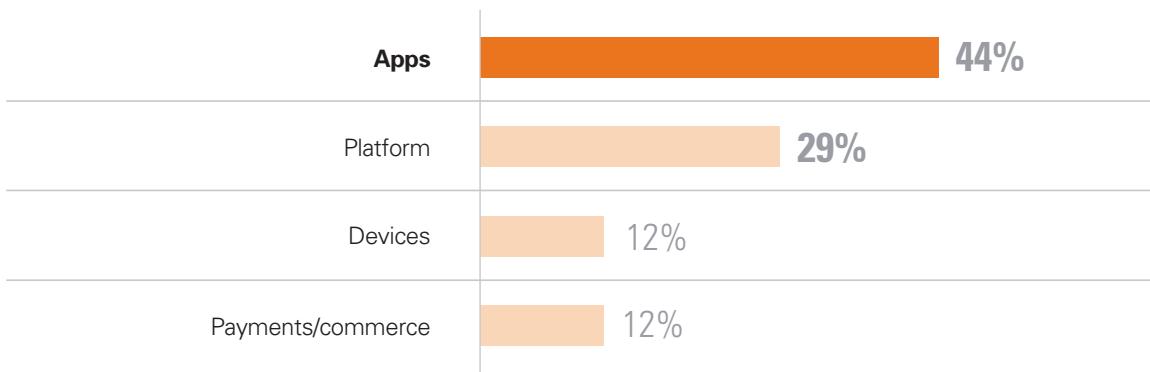


About 8 out of 10 survey respondents say their company's revenue will grow in the next 12 months, with 49 percent (compared to 38 percent last year) projecting a 1 to 5 percent increase and 33 percent (compared to 41 percent a year ago) expecting an increase of 6 percent or greater.

## REVENUE GROWTH: Cloud and Mobile Revenue Trends

**Apps and platforms continue to accelerate mobile revenue growth.**

Q: Which product/service is the main driver of your mobile revenue?



After nearly a decade of smartphone and mobile broadband adoption, competition has shifted from devices (down by more than half as a leading driver) to apps and platforms. With mobility firmly established in enterprise and consumer markets, apps (at 44 percent, up from 31 percent last year) remain the leading revenue driver, followed by platforms (down two percentage points from last year).

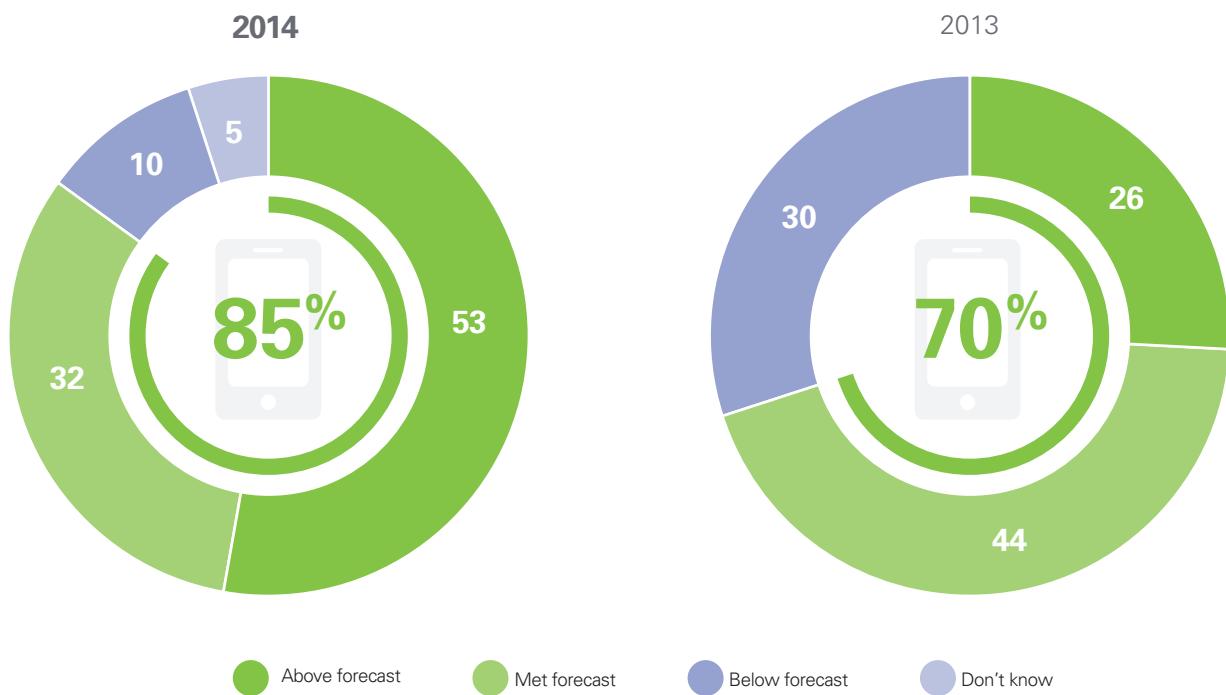
*The tech sector has shifted to mobile first design to improve user experiences, enhance personalization and productivity, provide new functionality and increase access to information.. There is great opportunity in the enterprise market to continue to improve mobile business models across CRM, supply chain and other applications.*

**Gary Matuszak**  
Global Chair, KPMG's Technology,  
Media and Telecommunications practice

## REVENUE GROWTH: Cloud and Mobile Revenue Trends

**Mobile revenue remains above forecast.**

Q. Which best describes your mobile revenue in the last year?



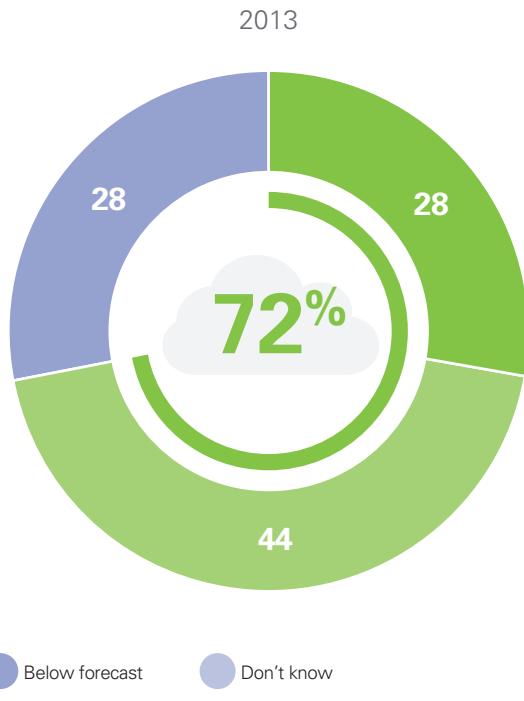
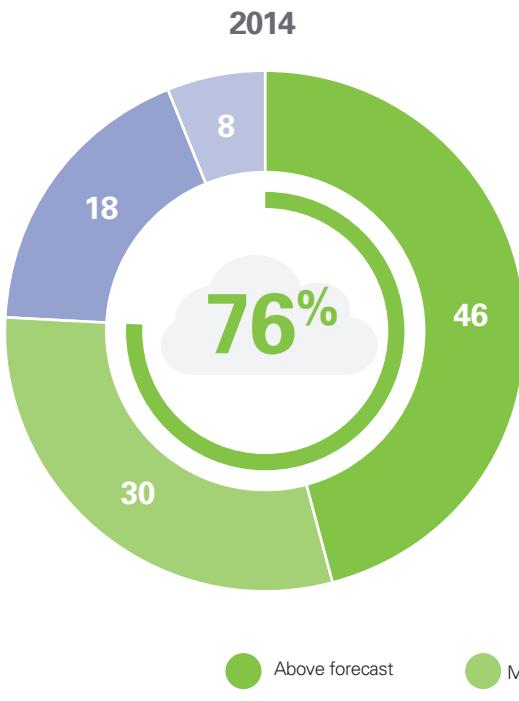
Cloud and mobile remain key revenue growth drivers for the tech sector. Of the executives citing mobile or cloud as their leading revenue drivers, 53 percent say mobile revenue exceeded 2013 forecasts, compared with 26 percent in last year's survey. Looking at cloud revenue, 46 percent of respondents said revenue exceeded forecasts, compared with 28 percent last year.

Even though cloud and mobile have become mainstream technologies, there is room for ongoing innovation and growth as these technologies continue to evolve and enable new business models across the globe.



## Cloud exceeding forecast revenue expectations.

Q. Which best describes your cloud revenue in the last year?

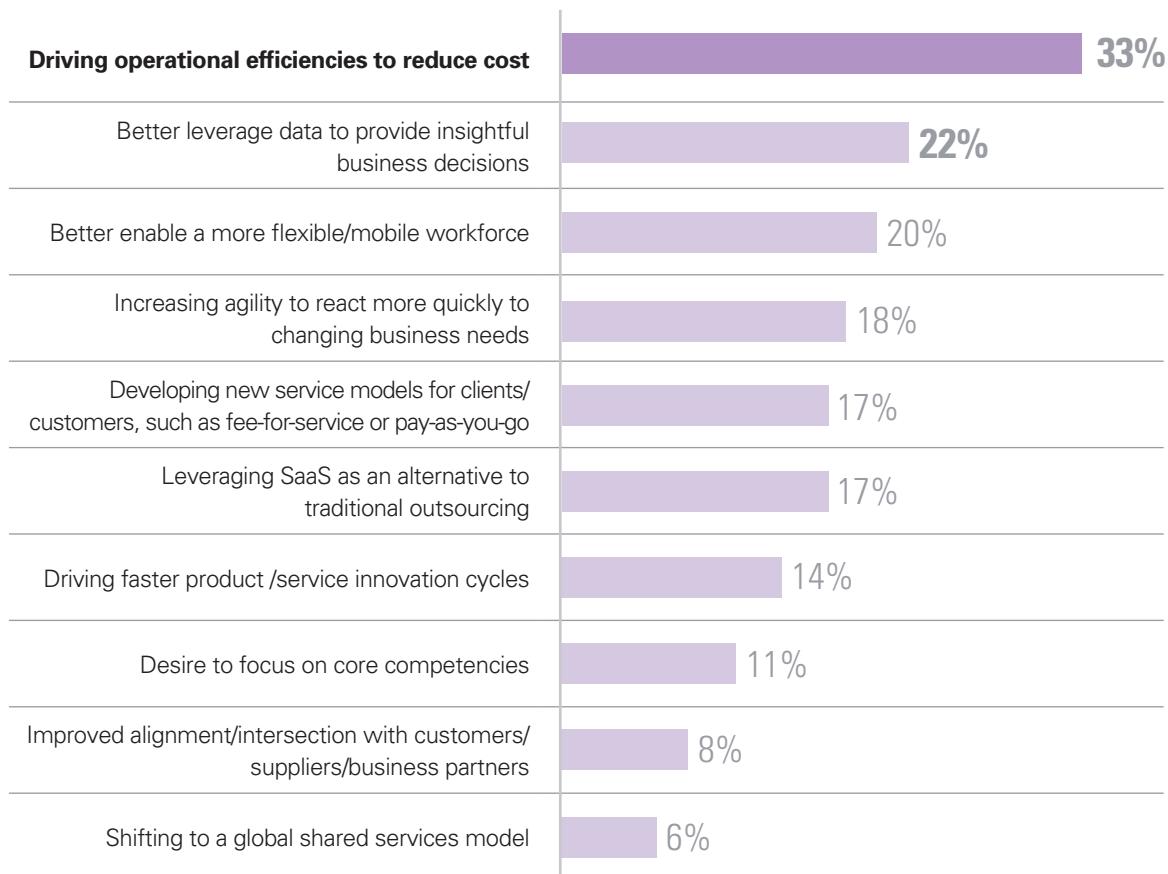


## REVENUE GROWTH: Cloud and Mobile Revenue Trends



**Tech companies continue to leverage cloud to improve their business.**

**Q: In which of the following ways are you leveraging cloud to transform your business?**



Not surprisingly, tech providers that have been developing and promoting cloud technologies are harnessing the cloud to transform their business models and operations. Reducing costs by driving operational efficiency is the leading benefit cited by respondents (at 33 percent), followed by leveraging data to provide insightful decisions and increasing workforce flexibility and organizational agility.

*Technology companies are no strangers to dynamic markets and the need to adapt quickly to emerging technologies and opportunities. Just as they've highlighted the advantages of cloud to their customers, the tech sector is using cloud technologies to increase efficiency and their ability to adapt to changing business priorities.*

**Richard Hanley**  
U.S. Advisory Industry Leader, Technology,  
Media & Telecommunications

## REVENUE GROWTH



**Data & analytics is expected to gain momentum as a leading revenue growth driver over the next two years.**

Data & analytics growth is surging, and expected to become the leading source of tech sector revenue growth over the next two years. D&A jumped to the top of the list with 51 percent in the 2014 survey, compared to 33 percent in 2013, and 19 percent two years ago.

The jump in expectations for data & analytics growth is due in large part to the high demand in cloud and mobile services, which are generating massive amounts of data. Positioned as a strategic enabler, D&A is helping companies anticipate customers' needs and increase operational efficiencies. Many companies are planning to invest in data & analytics to mine this data for actionable insights and to reinvent business models that will be competitive differentiators.

The volume of data and ability to generate real-time insights will expand further over the next few years thanks to the Internet of Things, which was cited by 19 percent of tech leaders as a promising growth driver. The Internet of Things is enabling faster access to higher volumes of data to support predictive analytics, smarter automation of business processes, deeper insights into customer preferences and behavior, and other consumer applications.

Security is another growing market, moving from sixth to fourth on the list of revenue drivers. This makes sense given that security remains the biggest challenge to adoption of cloud, mobile and social media technologies, and will be a key challenge as the Internet of Things gains market momentum.

**Q: Which do you believe will be the biggest drivers of your company's revenue growth over the next 24 months?**



**51%**  
Data and Analytics

2013: 33% | 2012: 19%



**41%**  
Mobile  
(including mobile devices)

2013: 38% | 2012: 48%



**40%**  
Cloud Computing

2013: 38% | 2012: 51%



**28%**  
Security

2013: 16% | 2012: 22%



**19%**  
Internet of Things

2013: NA | 2012: NA



**19%**  
Consumerization of IT

2013: 20% | 2012: 23%

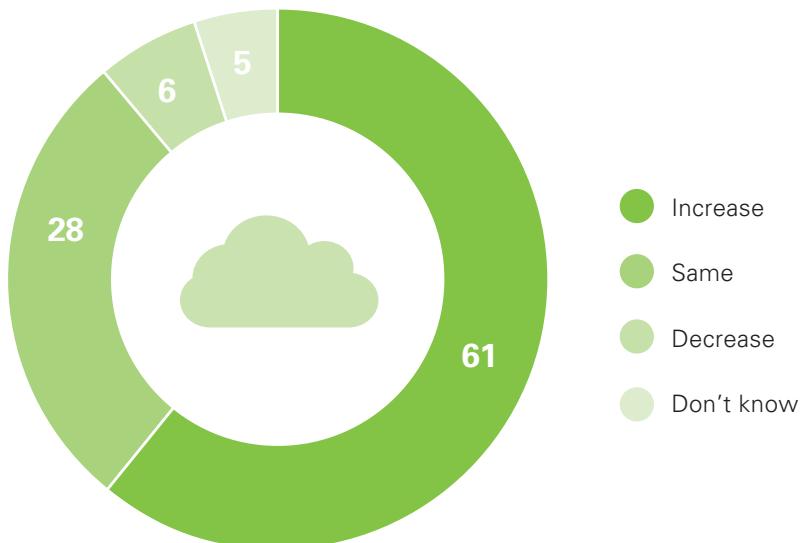
## SPENDING TRENDS: R&amp;D



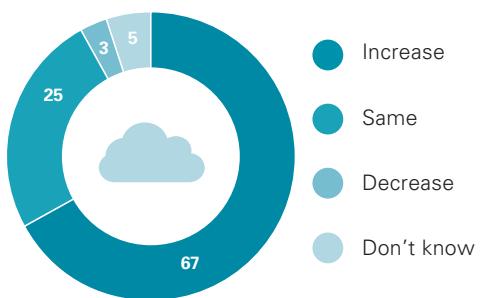
**R&D investments continue, but at a slower growth rate than in previous surveys.**

Q: What do you expect your company's R&D spending to be like over the next 12 months?

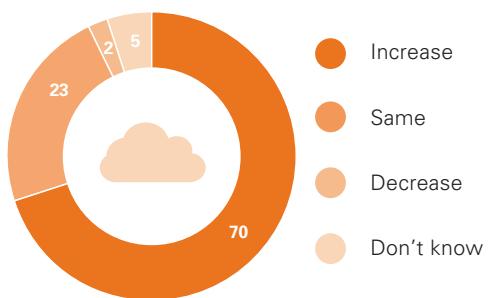
2014



2013



2012



Tech leaders are projecting slower growth in the rate of research and development investments. As the pace of technology innovation increases, many tech companies – with large stockpiles of cash – find purchasing talent and technologies is a faster route to commercialization and monetization of new products and services than increasing investments in core research and innovation.

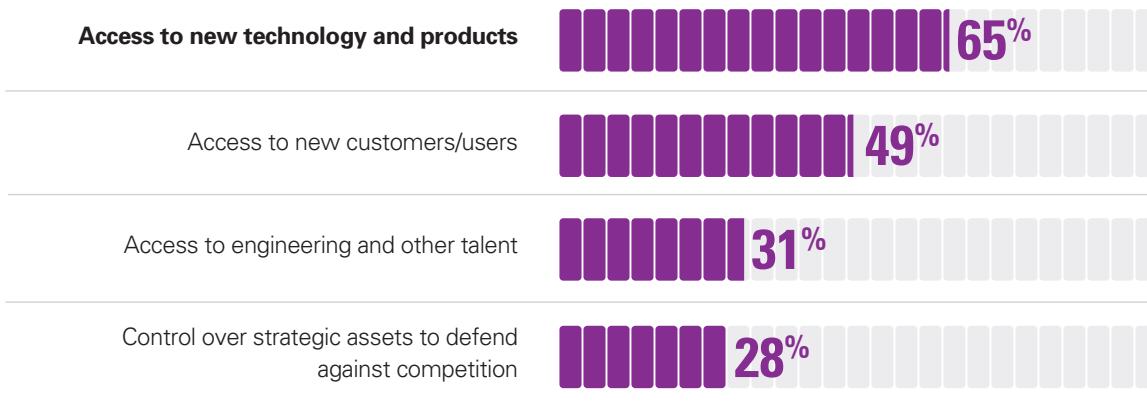
Only 6 out of 10 respondents anticipated an increase in research and development spending, with 37 percent expecting a 1 to 5 percent increase. Less than 20 percent see R&D spending increasing by 6 to 10 percent, down from 30 percent a year ago.

## SPENDING TRENDS: M&amp;A



## Adding assets, blocking competitors

**Q: Which of the following will be among the most important drivers of mergers and acquisitions in your company?**



Many companies are making M&A investments to access new technology, customers, talent, or to block a competitors' access to a key asset, according to respondents.

Access to new technology and products (65 percent) is the most important M&A driver.

*The shifts towards D&A, mobile, and digital business models, are influencing M&A strategy decisions to drive speed to market by obtaining assets to create a competitive edge. Tech companies are continuously assessing M&A and R&D investments in core technologies to gain market leadership.*

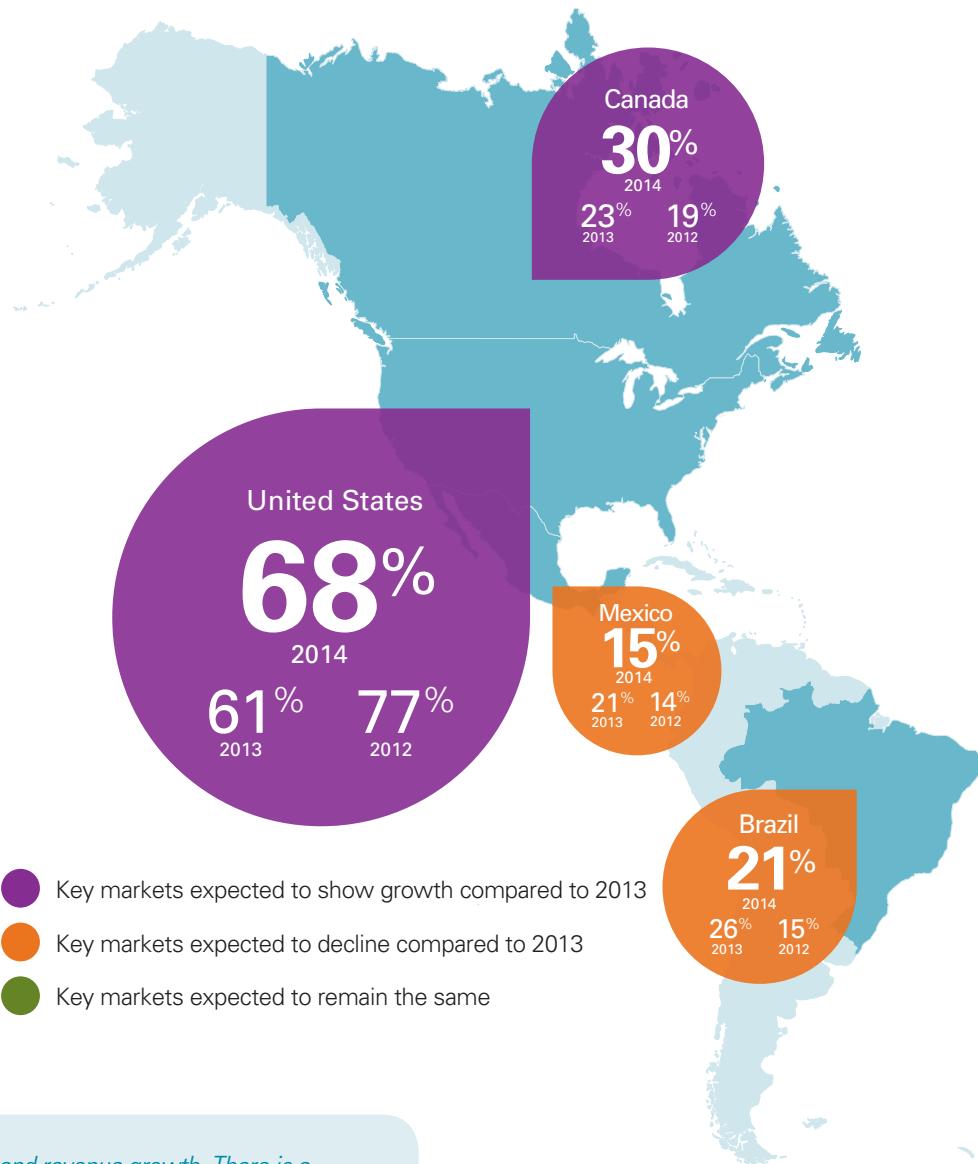
**Richard Hanley**  
U.S. Advisory Industry Leader, Technology,  
Media & Telecommunications

## SPENDING TRENDS: Employment

**The U.S., India and China are expected to be the leading locations for tech-sector job growth.**

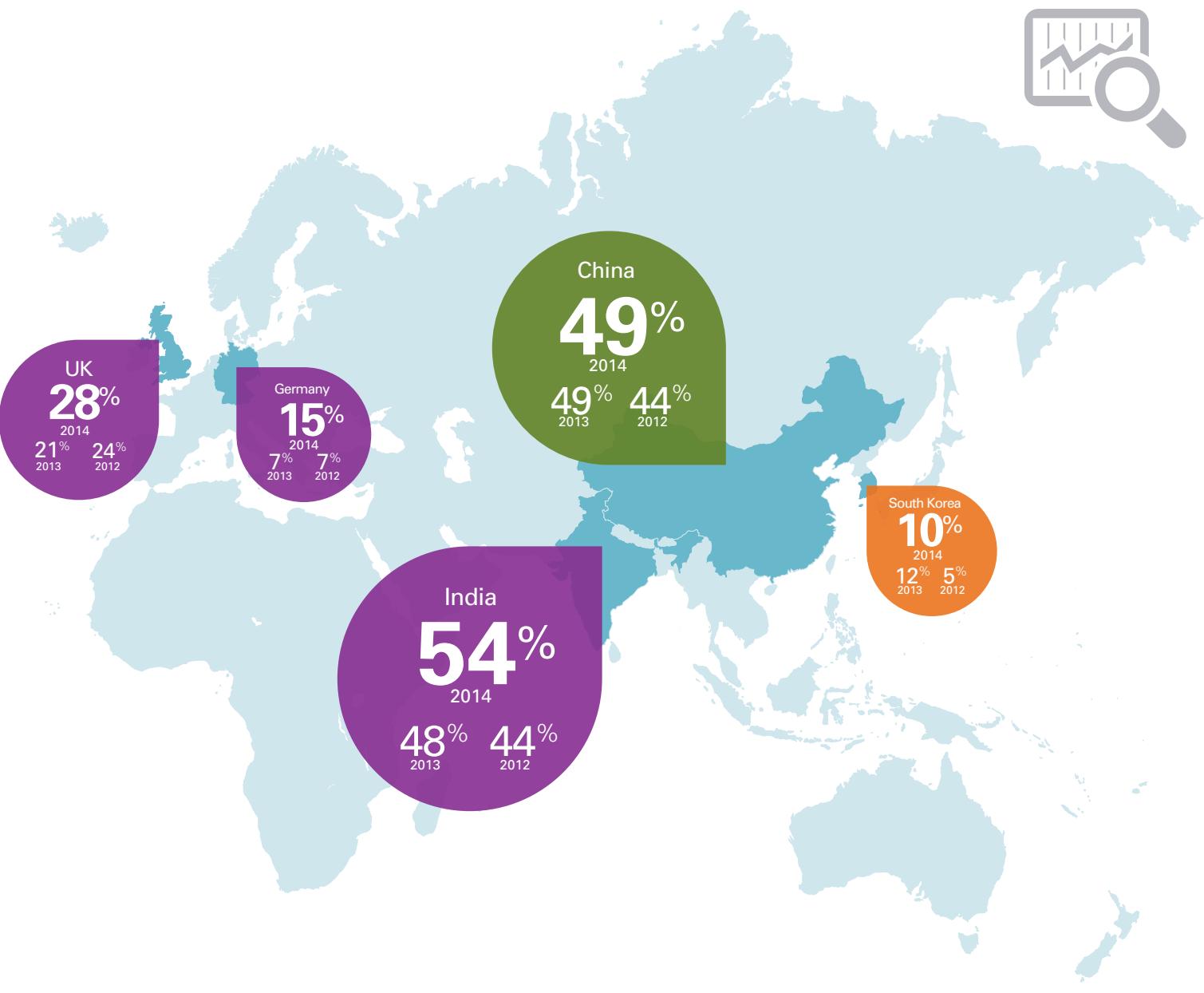
**Q. Which of the following geographic markets do you believe will have the highest percentage of employment growth for your company over the next 24 months?**

Tech leaders believe the U.S., India, and China will be the leading markets for tech employment growth between now and 2016. Other countries with high tech-company expectations for employment growth are Canada, at 30 percent up from 23 percent, the U.K. (28 percent, up from 21 percent) and Germany (15 percent, up from 7 percent).



*Talent is a key enabler in fostering innovation and revenue growth. There is a significant connection between the countries leading the sector revenue growth expectations and today's leading markets for technology employment such as India, China, the US, Canada and the UK*

**Richard Hanley**  
U.S. Advisory Industry Leader, Technology,  
Media & Telecommunications

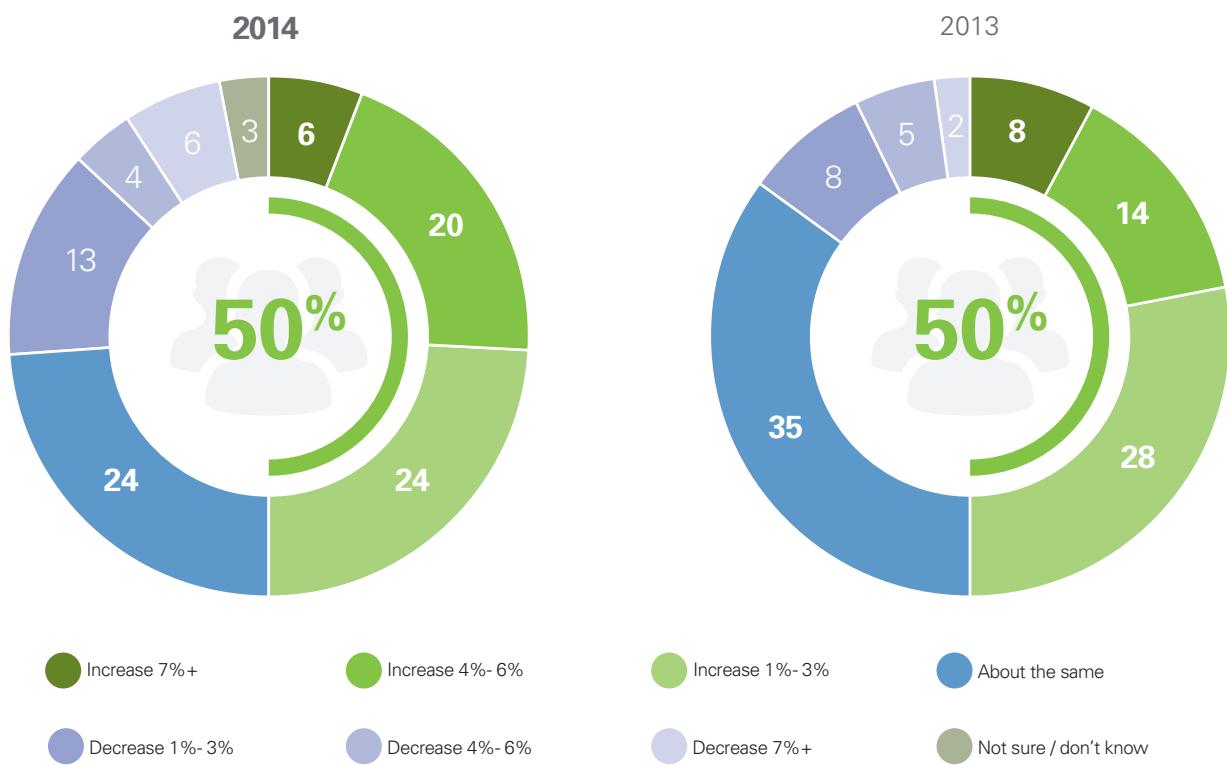


*KPMG's most recent Tech Monitor UK report showed that employment trends in the UK tech sector are outstripping those seen across the UK private sector as a whole. It also showed UK tech sector business activity growth at its highest for almost 10 years, supported by steep rises in incoming new work and the lowest rate of cost inflation for over four years.*

**Tudor Aw**

Head of Technology Europe, KPMG

## SPENDING TRENDS: Employment

**U.S. headcount expected to remain steady.****Q. How do you expect your company's U.S. headcount to change in the next 12 months?**

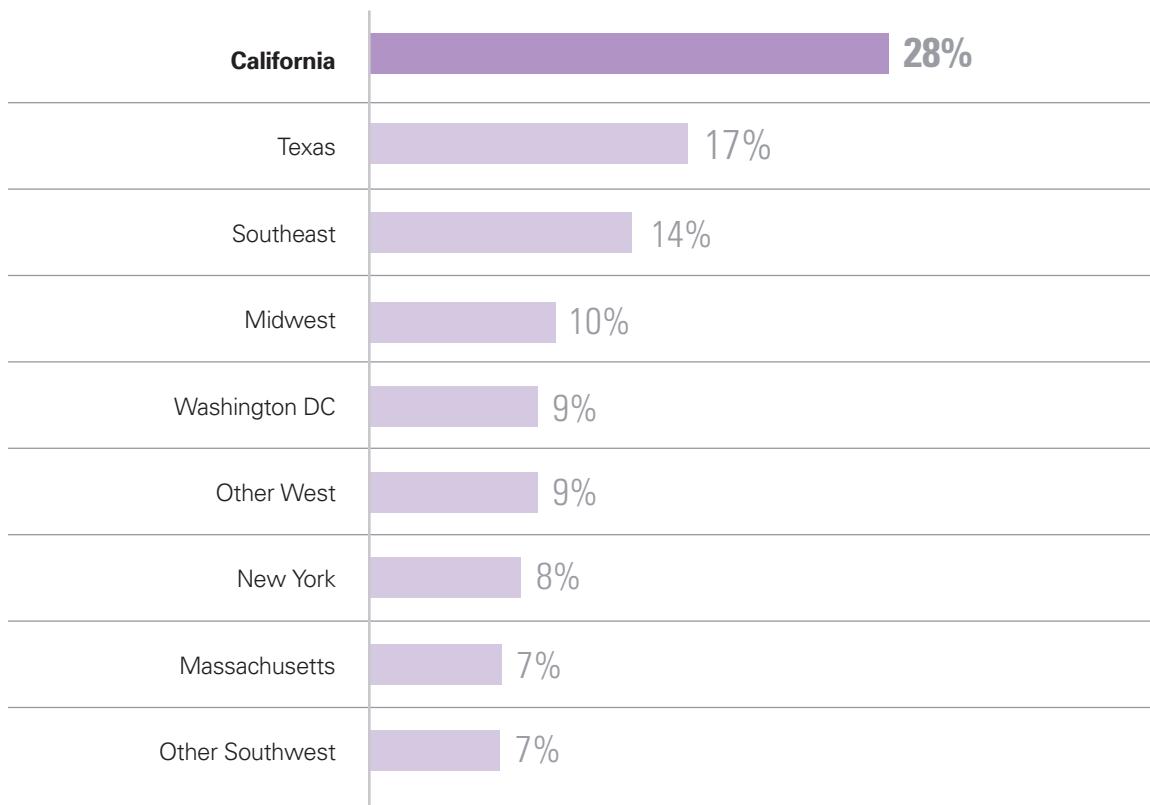
Within the United States, respondents expect employment trends to remain consistent with the past year. Overall, tech leaders remain divided about headcount growth. The percentage of executives calling for growth in the 4 percent to 6 percent range increased, as did the respondents who expect slight headcount decreases over the next year.

## SPENDING TRENDS: Employment



**California leads in job growth investment followed by Texas and the Southeast.**

**Q. In which parts of the U.S. do you plan to increase investment/jobs over the next 24 months?**



Looking at where tech companies plan to increase investment/jobs in the U.S. over the next two years, companies largely expect to maintain or expand growth in established tech hub locations. The access to strong tech ecosystems and tax incentives are leading factors as tech companies evaluate their investment plans.

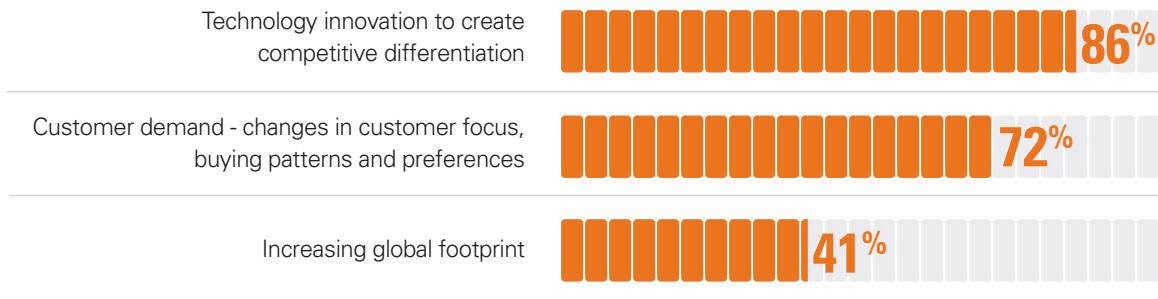
California led the list (28 percent), followed by Texas at 17 percent and the Southeast at 14 percent and the Midwest 10 percent. Additional locations included Washington D.C. (9 percent), Other West (9 percent), New York (8 percent), Massachusetts (7 percent) and Other Southwest (7 percent).

## TECH SECTOR INSIGHTS: Innovation



**Competitive differentiation and anticipating customer “wants” are the top drivers of tech-sector innovation.**

**Q: Over the next 3 to 5 years, what will be the top three drivers of transformation for your business?**



In an industry that is characterized by constant reinvention, it is no surprise that survey respondents say technology innovation to create competitive differentiation is the top driver of the need for business transformation in the tech sector over the next three to five years. Technology leaders recognize the importance of innovation in driving market leadership. Monetizing new business models and disrupting the status quo are critical to competitive differentiation and revenue growth.

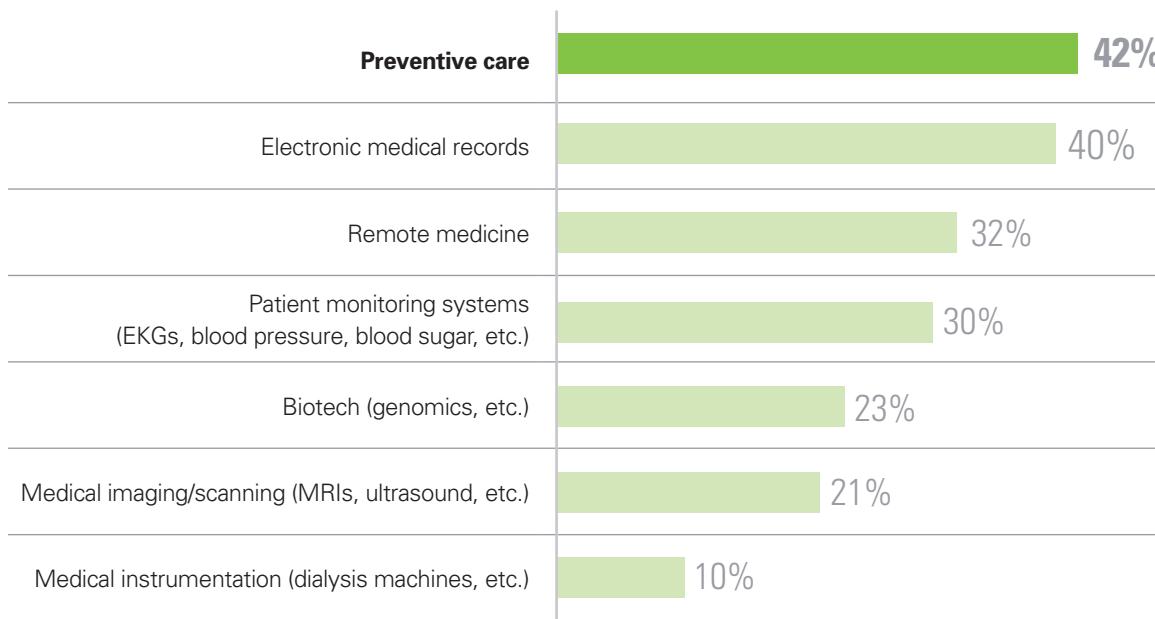


## TECH SECTOR INSIGHTS: Medical Care Innovation



**Prevention and electronic medical records called biggest contributors to improved medical care.**

**Q. In which areas do you see technology innovation providing the biggest contribution to improve medical care?**



Tech leaders say the healthcare sector is likely to be a strong source of revenue growth, with new market opportunities – driven by mobile, cloud, wearable technologies and predictive analytics – helping providers and patients manage information and preventive care.

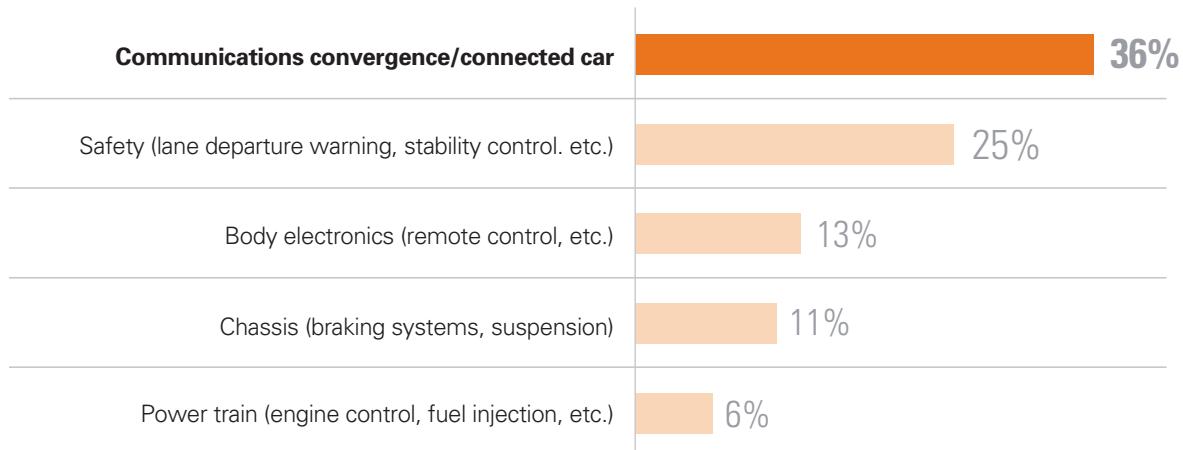
Forty-two percent believe technology innovation in preventive care will be the biggest contribution to improve medical care, while almost 40 percent say innovation in electronic medical records will be the biggest contributor.



## TECH SECTOR INSIGHTS: Automotive Investment

**The technology sector will be the key player in driving innovation to improve automotive safety and performance.**

**Q. In which of the following areas is your company investing?**



As in recent years, the automotive industry is expected to remain an attractive market for technology companies. Although electric and self-driving cars are gaining considerable media attention, a variety of high-tech safety and convenience features (including lane warning sensors, rear cameras, integrated communications and entertainment systems) are migrating into the mid-range of most auto manufacturers' lines.

Nearly 60 percent of those surveyed say their company plans to invest in technology to improve auto safety and performance, with most focused on communications convergence/connected car.

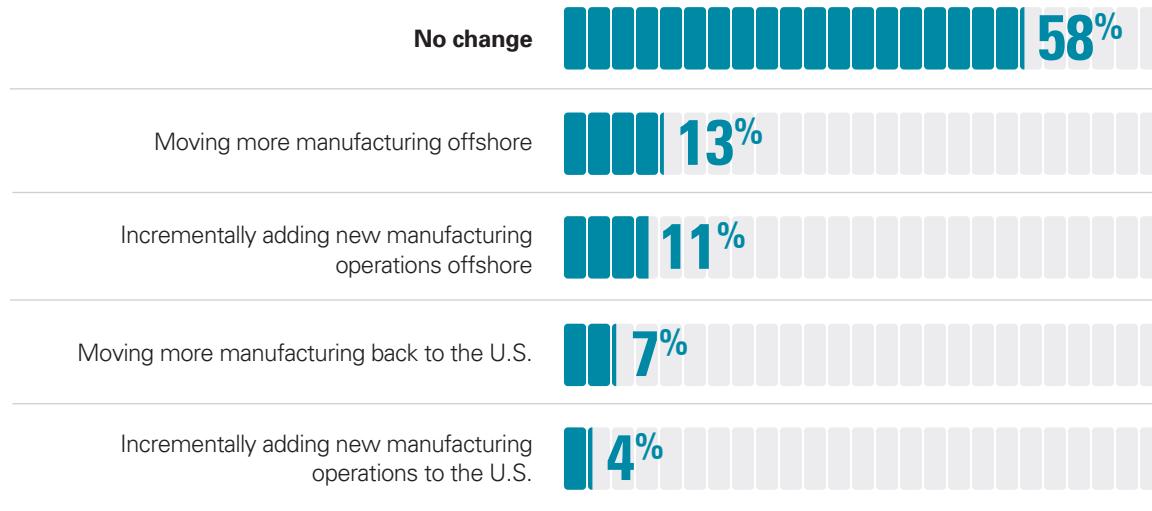
*Technological breakthroughs are critical to stay ahead of the competition in the auto sector. Traditional manufacturers are teaming up with high tech companies, and innovative start-ups are seeking and finding investors. Companies that get the value proposition right – and deliver experiences that make driving safer and more productive, while improving access to communications and information – may dominate the market.*

**Gary Silberg**  
National Industry Leader Automotive,  
KPMG LLP

## TECH SECTOR INSIGHTS: Manufacturing


**Most tech leaders indicate no plans to change manufacturing locations.**

**Q. How is your company deploying its manufacturing in the next 24 months?**



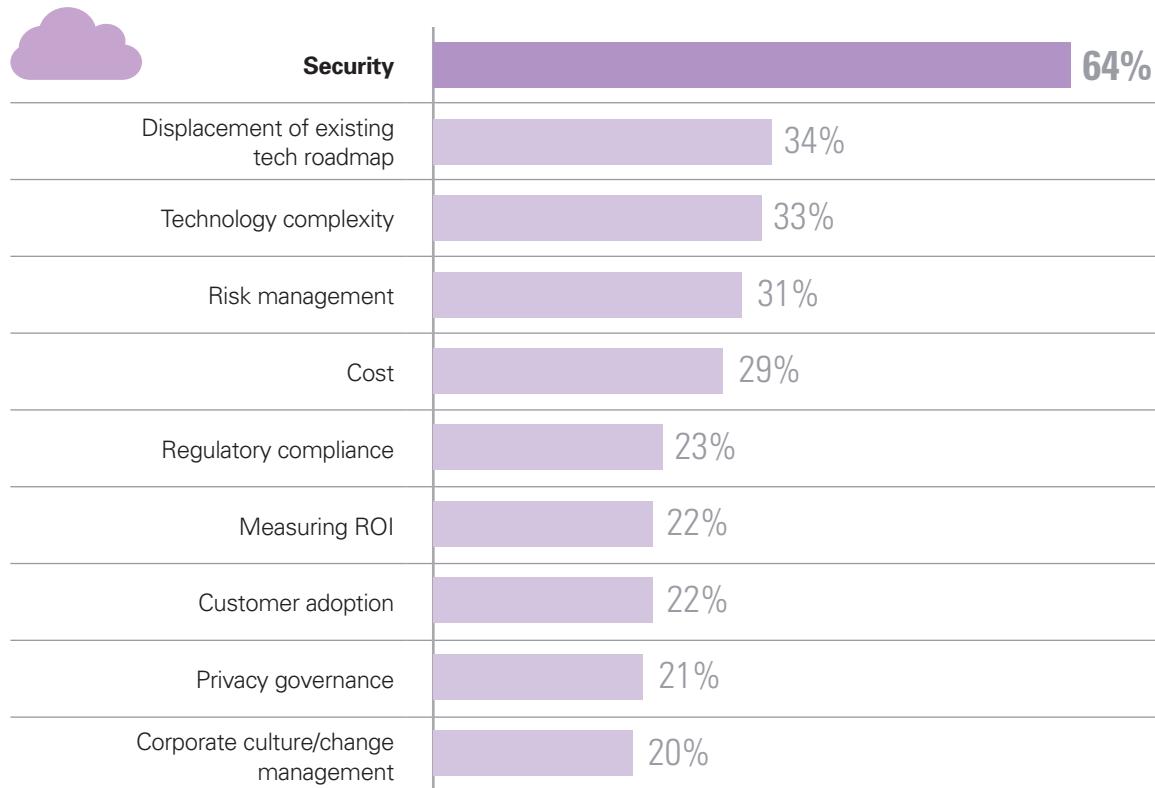
Looking at product manufacturing trends in the tech sector, the majority (58 percent) of executives are not planning to change the way their company is deploying manufacturing over the next 24 months. A few high-profile examples of tech companies relocating manufacturing to the United States seem to be an exception, rather than the start of an onshore manufacturing shift or trend.

At the same time, 61 percent of the technology executives say their companies are not planning to re-shore non-manufacturing functions. Sixteen percent say they will, and 23 percent say maybe.

## TECH SECTOR INSIGHTS: Cloud and mobile adoption challenges

**Security is the biggest challenge for businesses in adopting cloud and mobile technologies.**

**Q. What do you see as the biggest challenges for businesses to adopt cloud technologies in the next 12 months?**

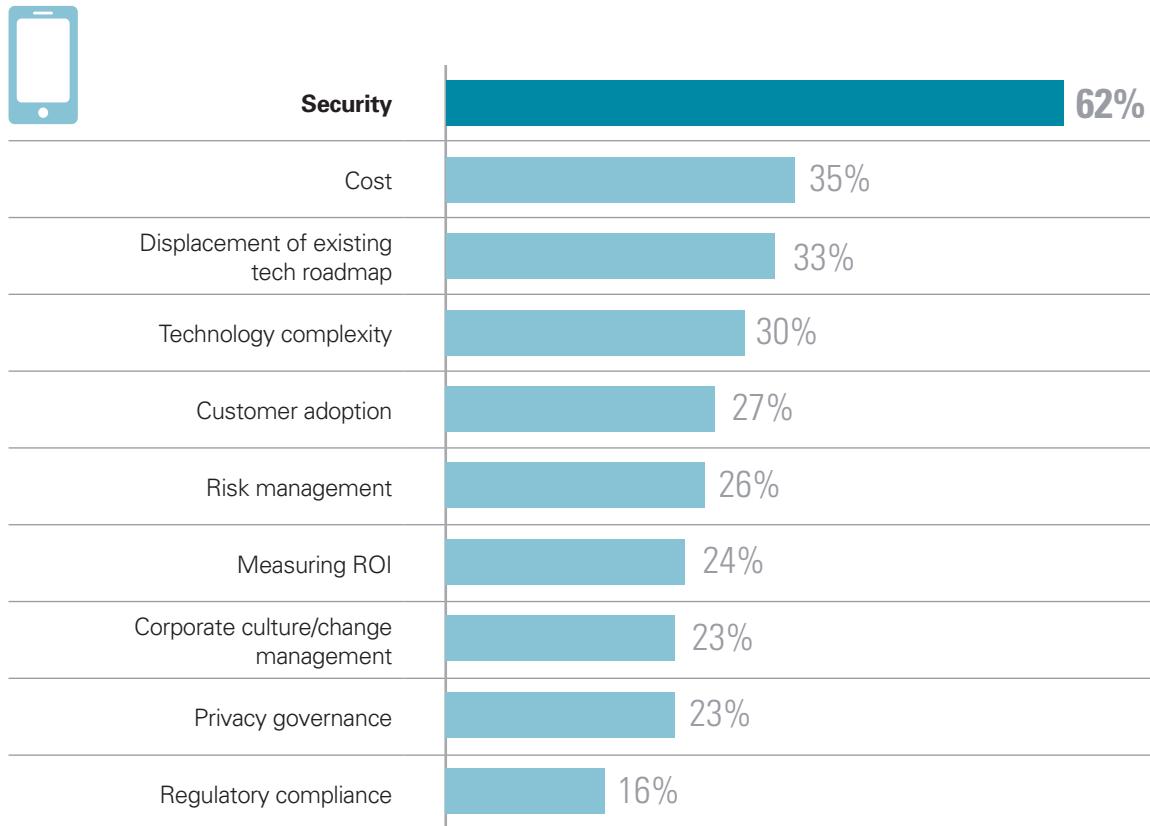


The magnitude of the opportunity and changes offered by cloud adoption means a number of potential hurdles are being addressed. Although cloud adoption increased favorably, tech leaders say security challenges, the leading potential obstacle for the past three years, became more acute in this year's survey. Similarly, concerns about replacing existing tech roadmaps, technology complexity, and risk management also increased.

Given concerns about potential cloud breaches and outages, these adoption challenges provide considerable potential for tech company innovation and customer education. Helping customers understand and mitigate the potential risks, and to balance those challenges against the considerable advantages cloud offers, will provide important differentiation for cloud providers.



**Q. What do you see as the biggest challenges for businesses to adopt mobile technologies in the next 12 months?**



Although adoption of mobile technologies is surging, tech companies say the security and cost challenges are increasing as the threat level rises and customers rely on mobile for more complex tasks. Concerns about security challenges nearly doubled in this year's results, and respondents reported increases for costs, displacement of existing tech roadmaps and customer adoption.

With mobile playing a larger role in the lives of enterprise and consumer users globally, helping customers address security and cost concerns presents a favorable opportunity for the tech sector and its business partners.

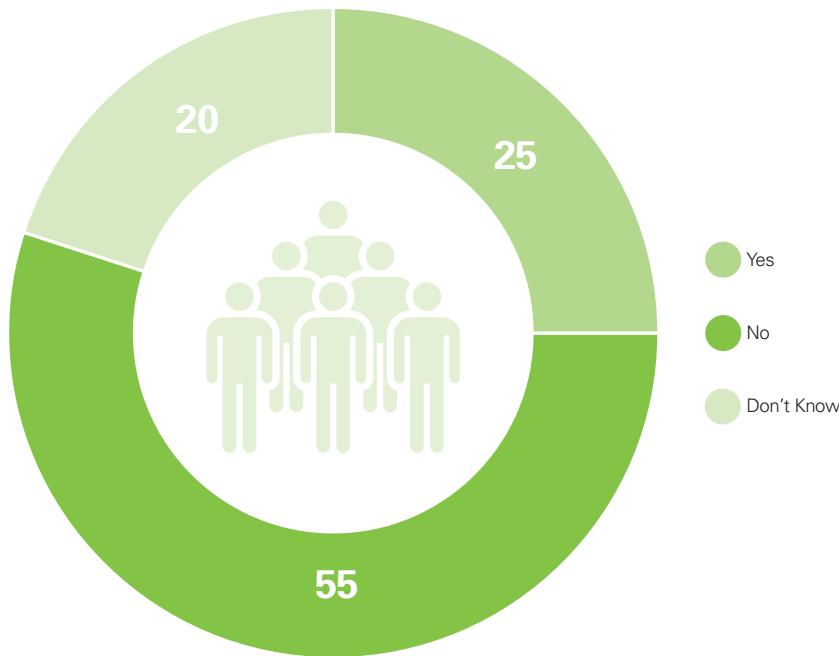


## TECH SECTOR INSIGHTS: Crowdsourcing



**Most respondents say their company is not planning on investing in crowdsourcing platforms and programs.**

Q. Is your company planning to investing in crowdsourcing platforms and programs?



A new category this year, a quarter of the respondents say they plan to invest in crowdsourcing platforms and technologies to harvest the collective wisdom of customers, employees, business partners and other stakeholders. Crowdsourcing offers a way for tech firms to generate innovative ideas, identify trends and increase customer engagement.

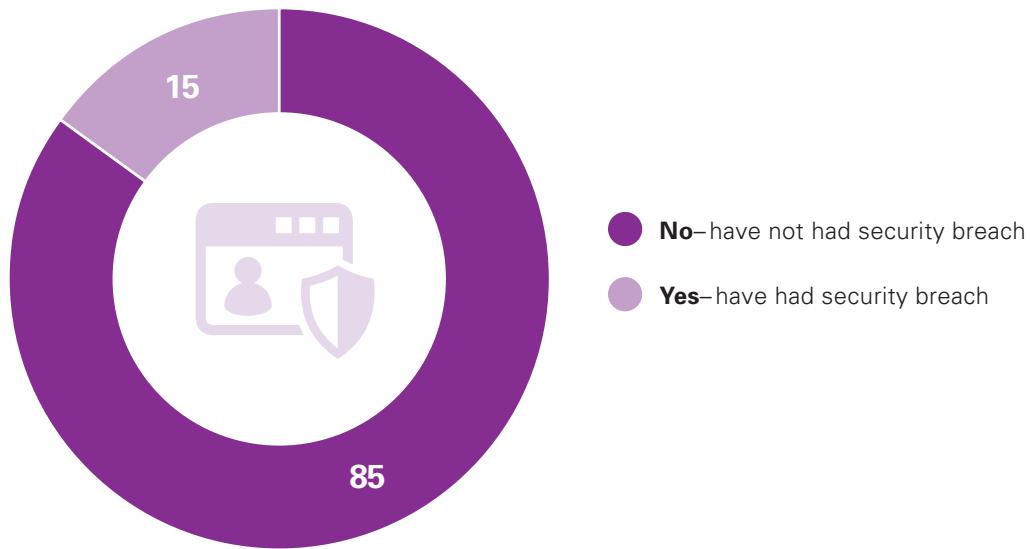
Of the respondents indicating plans to invest in crowdsourcing platforms, the most popular applications include matching buyers and sellers, creating content and data, and providing crowdsourcing platforms.



## TECH SECTOR INSIGHTS: Security

**Vast majority of tech firms say they haven't had a security breach recently.**

**Q. Have you had any form of security breach in the last 12 months?**



Despite ongoing media, consumer and regulatory attention about security and privacy breaches, technology leaders report a generally optimistic view of their own security. The vast majority, 85 percent, of respondents say their company has not experienced a breach. And with in-depth knowledge of the risk factors, almost two-thirds of the respondents say their company is expected to spend 1 to 5 percent of its revenue on information security.

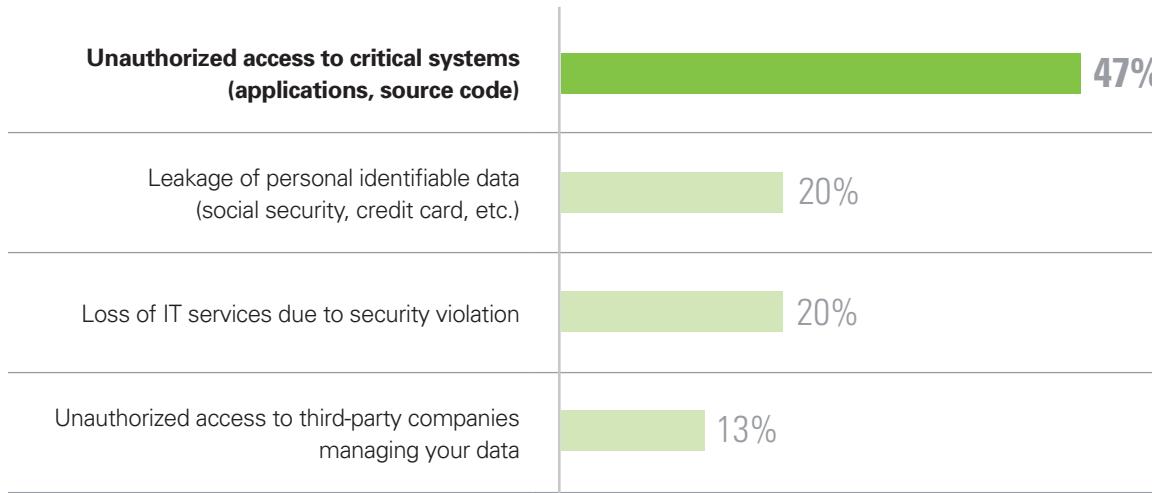
Security remains the biggest challenge to businesses adopting emerging technologies, but most tech leaders believe the security challenge, although acute and evolving, is generally mitigated effectively within their information security and risk management processes.

## TECH SECTOR INSIGHTS: Security



**Unauthorized access to critical systems was cited as the most common form of security breach.**

**Q. What was the form of the breach?**



*Disruptive technologies such as cloud, mobile and social can lead to incredible rewards in terms of new customers and efficiencies, but can also entail a considerable increase to a company's risk profile. It's critical to balance that equation with a company's risk appetite. You have to have a handle on the risks in your business ecosystem, and to take the appropriate steps to mitigate and manage those risks.*

**David DiCristofaro**

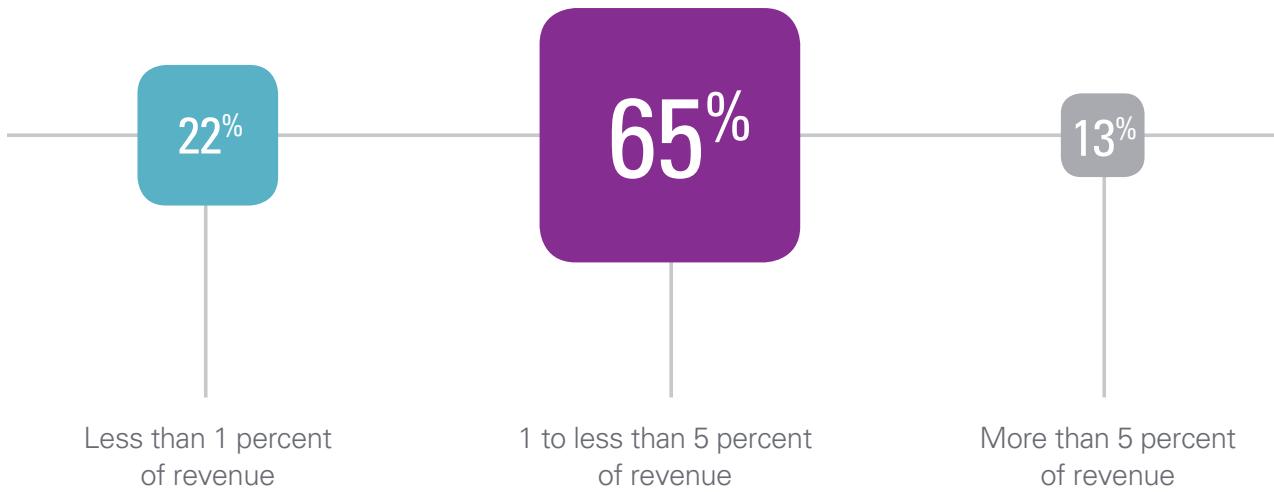
Global Leader in IT Advisory in Risk Consulting,  
KPMG LLP

## TECH SECTOR INSIGHTS: Security



**Nearly two-thirds of respondents say their companies plan to invest up to 5 percent of revenue on security practices and technologies.**

**Q. How much of your revenue do you plan to spend on Information Security over the next 12 months?**



*Companies that are able to provide transparent information about their security and privacy practices are more likely to attract today's customers. Since the Snowden revelations became public, we see increasing concern expressed by organizations around the world about the ability of U.S.-based cloud service providers to protect the privacy of their customers and employees.*

*Companies must be able to demonstrate effective privacy and security practices to increase the confidence of their clients and regulators. We see the importance of this challenge being addressed by tech companies understanding the need to continuously invest in security practices and technologies.*

**Doron Rotman**  
Managing Director and National Privacy  
Service Leader, Advisory, KPMG LLP

## TECH SECTOR INSIGHTS: NSA Impacting Cloud Adoption Growth



**U.S. government surveillance revelations affected cloud providers, but the impact is hard to determine.**

Q. To what degree has revelations of NSA surveillance impacted your Cloud business?



With security concerns being a long-standing challenge for companies promoting cloud adoption, the disclosure of electronic surveillance of leading technology providers by the U.S. National Security Agency (NSA) was an unwelcome development.

More than half (53 percent) of the cloud provider respondents said revelations of NSA surveillance impacted their business, mostly likely by accentuating existing concerns about their ability to prevent unauthorized access or disclosure of customer data.

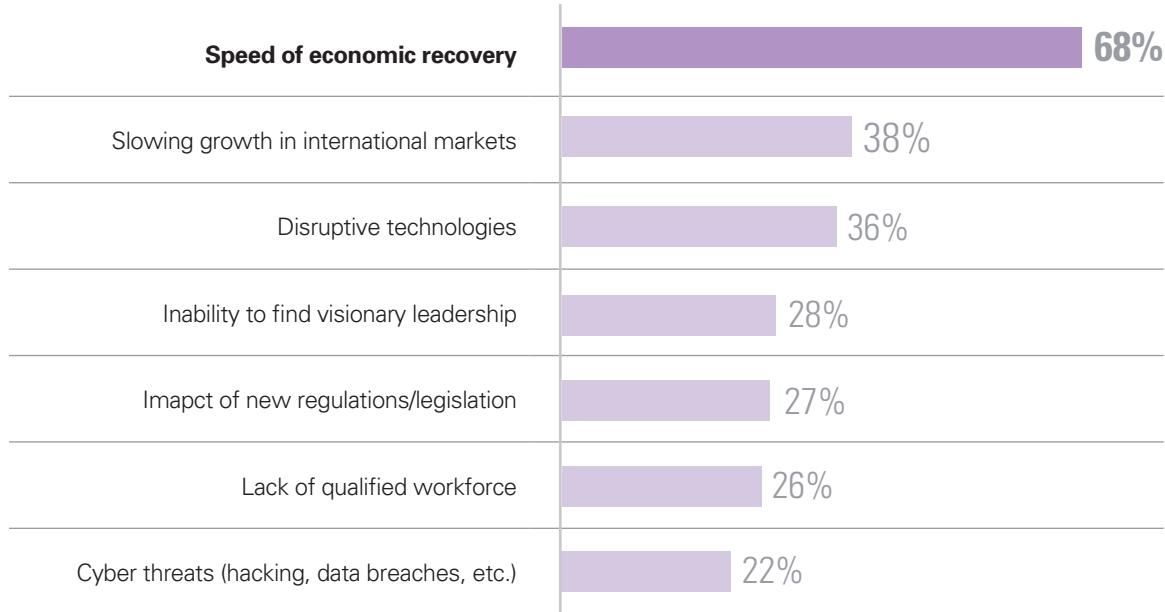




## TECH SECTOR INSIGHTS: Company Growth Risks

**Economic conditions, slower international growth, disruptive technologies and lack of visionary leadership called growth risks.**

**Q. Which of the following do you believe pose the greatest risk to your company's growth?**



Although optimistic about growth, tech leaders recognize some external factors may influence their results in the near future. With economic conditions in many markets settling into moderate growth patterns, respondents cited the speed of overall economic recovery as the leading risk to revenue growth. Other risks include disruptive technologies and the inability to identify and recruit visionary leadership.

*It's no surprise that tech executives see a shortage of visionary leaders as a greater risk to growth than new regulations, lack of a qualified workforce, and cyber threats. Ultimately it's all about how tech companies develop succession plans and find and retain visionary leaders who can drive value and monetize new business models. In the tech ecosystem, Fortune 500 companies and start-ups are continually driving the next generation technologies, therefore there is an increased mentorship trend for mature tech company CEO's and the next generation of startup founders to learn from each other and collaborate in shaping the future of the industry.*

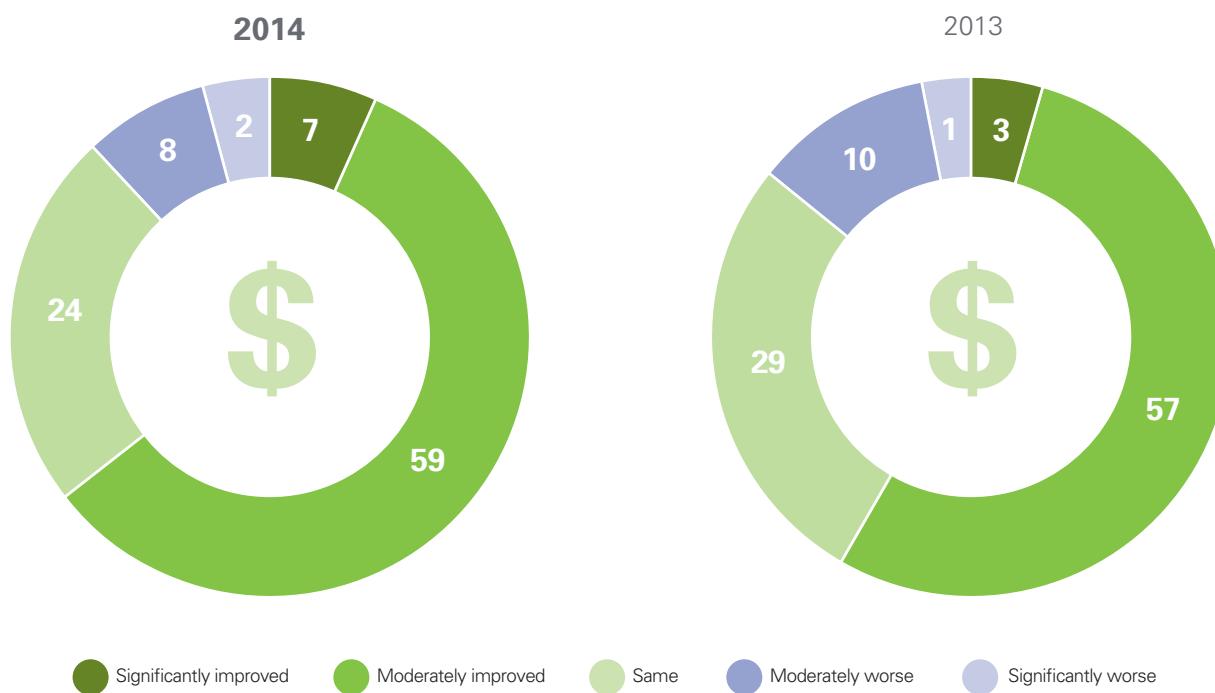
**Gary Matuszak**  
Global Chair, KPMG's Technology, Media and Telecommunications practice

## TECH SECTOR INSIGHTS: U.S. Economy Expectations



**A majority expect a moderate improvement in the U.S. economy.**

**Q. What are your expectations for the U.S. economy in the next 12 months?**



As in last year's survey, tech leaders expect a moderate economic recovery to continue in the U.S. Tech companies and markets have generally outperformed broader economic conditions in recent years, but their ability to do so continually is uncertain.

With GDP hovering around 3 percent, employment recovering but remaining lower than at 2008 levels, and the effects of changing Federal Reserve policies on capital markets remaining to be seen, business leaders and economists generally report a favorable view of economic conditions, although few are calling for a significant improvement.

## CONCLUSION

**Last year's optimism driven by cloud and mobile for revenue growth is being replaced this year with a bullish outlook for data & analytics.** With the technology industry shifting to a data-driven future, emerging technologies such as the Internet of Things, wearable devices and artificial intelligence will create new opportunities for industries to evolve.

**As technologies change, so too will geographic markets demand.** Countries in mature markets like the UK are driving revenue growth while some emerging markets aren't maintaining the growth momentum of recent years. At the same time, the U.S. continues to be the leading geographic market for employment and revenue growth.

**Innovation will remain a critical differentiator for the tech sector.** A significant number of companies will continue to leverage M&A investments to gain access to emerging technologies and talent, in addition to investing in R&D.

**As emerging technologies continue to change business models, security will continue to be a challenge.** Tech companies will continue to invest in the development and implementation of Information Security and IT risk management technologies to manage security issues proactively.

*We are witnessing a convergence of technologies and business opportunity that is producing a flood of revenue in cloud, mobile, and data & analytics. These technologies are enabling new business models and increasing operational efficiencies. In virtually all sectors of the global economy, companies are leveraging technology to drive innovation and transform their businesses.*

**Gary Matuszak**  
Global Chair, KPMG's Technology,  
Media and Telecommunications practice





## Executive bios



### **Gary Matuszak, Global Chair, Technology, Media and Telecommunications, KPMG**

Gary is the global chair of KPMG's TMT industries and chair of KPMG's Global Technology Innovation Center. Mr. Matuszak has held a number of technology sector leadership positions during most of his career and has extensive experience working with global technology companies ranging from the *Fortune* 500 to pre-IPO startups.

He represents KPMG in a number of organizations affecting the industry and has influenced the development of key positions on several issues that impact the technology sector. Gary is a frequent spokesperson for the firm on technology industry trends, including cloud and mobile business strategies, technology innovation and C-suite industry outlooks.



### **Richard Hanley, Advisory Industry Leader, Technology, Media and Telecommunications, KPMG LLP (U.S.)**

Based in Silicon Valley, Richard works with US and global clients in the areas of management and risk consulting, as well as transactions and restructuring. Mr. Hanley's previous responsibilities at KPMG include Advisory Practice leader for the Bay Area and Pacific Northwest and the national technology sector leader for Transaction Services.

Richard provides advice on domestic and cross-border mergers, acquisitions, and disposals to leading technology companies as well as private-equity and sovereign-wealth funds. He advises clients on due diligence, including evaluation of commercial, financial, and accounting aspects of potential acquisition targets and assistance with purchase agreements.

## Related Insights



### **SOC2: Thorough reports critical to cloud service provider assurance**

Cloud services are critical to companies' business operations and are now a key element of cost reduction. But even as organizations gain confidence in the security of cloud providers, survey data indicates challenges relating to security, availability, and confidentiality/privacy. Service Organization Control 2 (SOC2) reports can help address these challenges.



### **Big data comes of age in Financial Planning, Budgeting, and Forecasting**

This white paper outlines the FP&A opportunity to implement technologies such as data & analytics to optimize their function and help drive new revenue streams.



### **Top 10 internal audit considerations for tech companies**

This publication focuses on the critical role internal audit can play in helping companies manage some of their leading risks more effectively in today's dynamic environment.



### **Is unlicensed software hurting your bottom line?**

This publication examines software license compliance challenges vendors face in an evolving technology landscape, as well as effective practices in license compliance management.

## About KPMG

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### **KPMG: an experienced team, a global network**

KPMG's technology professionals combine industry knowledge with technical experience to provide insights that help technology leaders take advantage of existing and emerging technology opportunities and proactively manage business challenges.

Our network of professionals have extensive experience working with global technology companies ranging from Fortune 500 companies to pre-IPO startups. We aim to go beyond today's challenges to anticipate the potential long- and short-term consequences of shifting business, technology and financial strategies.

### **KPMG: Technology Innovation Center**

KPMG recognizes the importance of innovation. In 2012 we launched a global Technology Innovation Center to identify and evaluate the impact of future disruptive technologies. The center connects leading technology thinkers including entrepreneurs, Fortune 500 technology executives, venture capitalists and KPMG member firm professionals. This publication is sponsored by the Technology Innovation Center.

### **Join us today.**

Visit [kpmg.com/techinnovation](http://kpmg.com/techinnovation)

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