



# KPMG global tech report: Technology insights

Tech: A bold sector that innovates while leading by example

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# Executive summary

The digital transformation journey is an important strategic consideration for all sectors, none more so than technology. This means the tech sector has to do two things simultaneously: lead by example and rethink its own strategies.

Yet, like all industries, the tech sector also faces challenges — and opportunities — in the rapidly evolving tech landscape. For example, the [KPMG 2024 Technology and Telecommunications CEO Outlook](#) showed that, in 2024, a top-three challenge for tech and telecommunications CEOs has been the adoption of generative AI.<sup>1</sup>

The tech sector's position ahead of other sectors can be attributed to its formula for success. Much of the tech sector's accomplishments are the result of discipline and targeted investments. Through strategic spending decisions, such as the prioritization of AI and environmental, social and governance (ESG) activities, the industry has become skilled at protecting its transformation progress from volatility.

This and other valuable insights are provided in our Global Tech Report 2024 — a survey of 2,450 executives from 26 countries, including 490 leaders from the tech sector.

**Tech stands strong against headwinds, but higher expectations for the sector mean that it is required to respond with clarity and strategic investments.**

<sup>1</sup> KPMG 2024 Technology and Telecommunications CEO Outlook

## Key findings



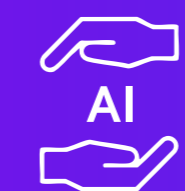
### The tech sector is targeting profitability

This year's survey reveals an increase in the number of tech professionals who say that technology has directly improved their organization's profitability over the past 24 months. Some of the most notable growth in profitability, with increases of 10 percentage points or more, has resulted from efforts in AI, data and analytics, everything-as-a-service (XaaS), cyber security and modern delivery.



### ESG goals are a key focus for tech's digital investments

Today's tech organizations are recognizing the importance of using tech for good. About three-quarters of tech executives report that their tech investments directly target their sustainability and social responsibility goals, surpassing the cross-sector average.



### Tech sector plans to maintain a democratized approach with AI experiments

Most sectors are working toward a centralized approach to AI implementation. But the tech sector plans to continue developing AI governance policies and experimentation practices in a democratized way as it builds more experience in this rapidly developing area.



# The tech sector is targeting profitability

Today's macroeconomic and geopolitical landscape might be turbulent, but tech companies are continuing to fund digital innovation with confidence and commitment. There are good reasons for this: three-quarters of tech executives (**76 percent**) say their total cost of ownership and cost-benefit forecasts are usually accurate. Roughly the same proportion say they run calculations to forecast the potential value of a technology before they invest, a figure that is slightly above the cross-sector average.

As a result, tech is one of the sectors most likely in our survey to feel confident in its ability to manage expenditure so that hidden costs do not disrupt the digital transformation.


Mark Gibson, Global Head of Technology, Media & Telecommunications, KPMG International and Line of Business Leader for Technology, Media & Telecommunications, KPMG in the US, says we are seeing a shift in how tech companies spend their money. "We're seeing a much stronger focus on outcomes than we did before," says Gibson. "It used to be all about how much they could invest in research and development, but as tech companies mature, priorities are shifting."

Gibson says that profitability is paramount in today's economy: "It's a constant seesaw between wanting to invest in innovation and needing to keep costs down. That's why most tech firms are now on a journey of targeted investment in key transformation areas."

## Increases in percentage of respondents (2023 compared to 2024) who replied that their digital transformation efforts positively impacted their organizations' profitability in five important investment areas

 **+28**


Modern delivery (including low/no code)

 **+22**


XaaS technologies (including public- or multi-cloud)

 **+20**

AI and automation (including Generative AI)

 **+20**

Data and analytics

 **+20**

Cyber security

Source: KPMG global tech report 2024

Q10. Over the past 24 months, have your digital transformation efforts with the following technologies positively impacted your organization's profitability? Those answering yes, there was an increase.



This year's survey shows an increase in the number of tech professionals who say that technology has directly improved their organization's profitability over the past

**24 months.**

There is notable growth in profitability, with increases of 10 percentage points or more from efforts in AI, data and analytics, XaaS, cyber security and modern delivery methods.



## Case study

# Sierra Wireless

## Helping to ensure trust in IoT solutions

As a major global IoT solutions provider, Sierra Wireless utilizes manufacturing facilities around the world — delivering innovative technologies that are enhancing operational efficiencies and customer experiences for some of the world's leading organizations.

The Canadian-based multinational, which is particularly proud of its nearly 30-year record of building trusted client relationships across an array of industries, was forced to take decisive action as its operations, including manufacturing, were temporarily disrupted in March 2021 by a ransomware attack on the company's internal IT systems and corporate website.

Sierra Wireless immediately countered the attack — turning to KPMG firms' cyber-incident response specialists from Canada and the UK to assist with response and recovery efforts.

Sierra Wireless leaders worked closely with KPMG's cyber professionals to resolve the root cause of the ransomware attack and contain and recover the disrupted operations. As part of the larger recovery effort, KPMG in Canada and KPMG in the UK were able to prioritize and recover Sierra's manufacturing operations within days. In the wake of the incident, KPMG and Sierra Wireless professionals worked together to enhance Sierra's IT operations and cyber-security program.

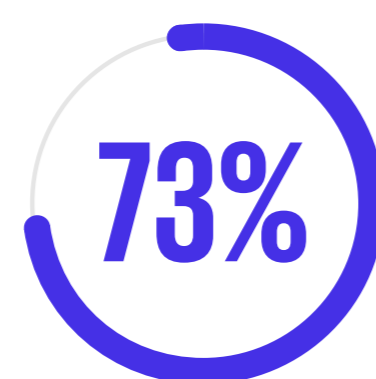
Sierra Wireless' IoT solutions help customers in industries such as transportation, healthcare, industrial manufacturing, and energy transform and thrive in today's connected economy. The timely actions taken in response to this incident helped maintain the trust of these customers in the security of Sierra Wireless' IoT solutions.



# ESG goals are a key focus for tech's digital investments

Today's tech organizations are recognizing the importance of using tech for good. About three-quarters of tech executives (73 percent) say their tech investments directly target their sustainability and social responsibility goals, which is above the cross-sector average.

**Proportion of tech executives saying their investments target sustainability and social goals**



Q9: Which of the following opposing statements best describes your company's technology optimization activity for the next 12 months?

Source: KPMG global tech report 2024

And perhaps a direct result of using tech for good is the industry's progress in addressing environmental, social and governance (ESG) issues. In fact, our recent [KPMG 2024 Technology and Telecommunications CEO Outlook](#) showed that the number of tech and telecommunications CEOs who are confident about reaching their net-zero goals by 2030 has increased from 36 percent in 2023 to 46 percent in 2024. A large part of this optimism comes from the sector's transformation of how data centers are built and run — and their impact on the environment.

ESG efforts are particularly important to the tech sector's workforce. As Gibson emphasizes, "In tech, employees have high expectations for each of the three areas of ESG. Not only do they want to see thoughtfulness around environmental impact, but they also hold the industry responsible for the way in which information is spread — particularly around key social and political issues."

The good news is that KPMG research confirms that tech organizations are taking their employees' opinions seriously, with tech being one of the sectors most likely to prioritize tech investments based on employee feedback (5 percentage points above the global average).

This has important implications for the 'governance' part of ESG as organizations work to ensure they have both the right policies in place to address ESG challenges and the ability to be a voice for their workforce. According to Gibson, the tech sector has a huge responsibility related to cyber protection and the way in which the sector manages and shares information. "ESG is about the future of the industry from a people perspective," he says. "That's why tech organizations must focus on protecting people's data and having the processes and controls in place to build consumer trust as part of their formulas to getting ESG right."



**In tech, employees have high expectations for each of the three areas of ESG.**

**Mark Gibson**

Global Head of Technology, Media & Telecommunications  
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# Tech firms plan to keep a democratized approach with AI experiments

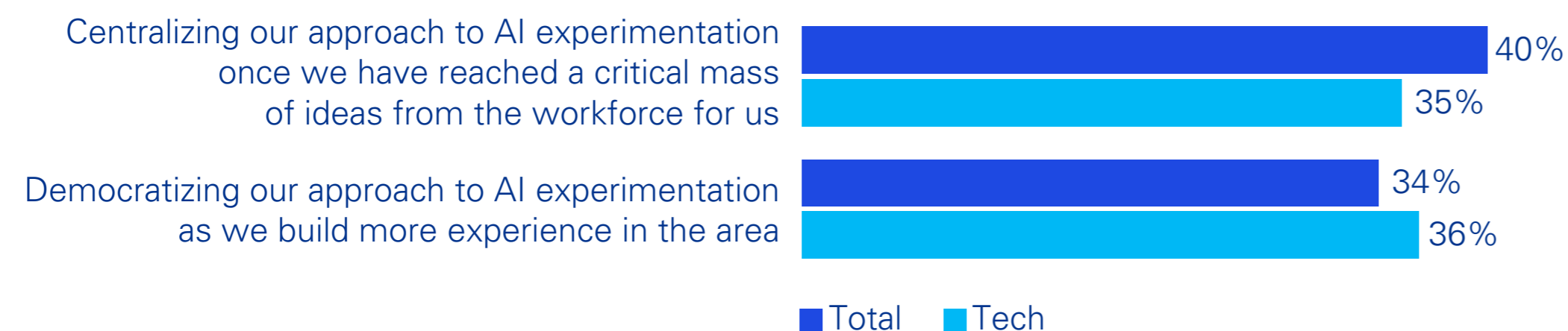
Appetite for AI is growing across all sectors, and many companies are taking a democratized approach while they encourage their workforces to find new ways to use it. But as they scale AI, while keeping governance, trust and security at the center, most sectors are switching to a more centralized approach.

Here, the tech sector bucks the trend, as centralization is not on the roadmap. Instead, tech companies plan to maintain their democratized approach to AI experimentation, while continually developing their AI governance policies as they build more experience in the area.

Gibson notes, "We want everyone in a tech company experimenting and using AI daily. Yet, it's important to balance this with a centralized governance layer so companies have a framework for their workforces to operate within. This should allow tech companies the space to continuously adapt and refine their AI strategies while protecting their values, security and customers."

According to our [KPMG global tech report 2024](#), successful AI implementation will require the tech sector to take a systemic approach<sup>2</sup> that is based on cross-functional effort. From building strategic frameworks to upskilling teams and identifying risks, tech is uniquely positioned to lead the way across this new frontier with confidence.

## How tech executives say they plan to scale AI within their organizations



Q24: How does your organization plan to scale its AI with governance, trust and cyber security in mind?

Source: KPMG global tech report 2024

<sup>2</sup> KPMG global tech report 2024

<sup>3</sup> KPMG's Leading the charge on AI

The earlier you appoint a chief artificial intelligence officer (CAIO), the easier it is to shape and coordinate the transformation before business units and functions have invested in similar capabilities. In addition, first movers may secure scarce CAIO talent in the external or internal market before they become even more in demand.<sup>3</sup>



# Key recommendations

To lead by example while fostering innovation, tech executives should:

- Prioritize trust and security in the initial phases of designing solutions. With tech rapidly evolving, designing and building solutions in a responsible way is now more important than ever. Including cyber security experts at the start of every project can enhance trust and protect brand reputation. It can also help minimize the risk of data breaches and the need for costly retrofitting of security fixes.
- Turn ESG into a competitive advantage by implementing embedded strategies that address environmental and social risks while capitalizing on commercial opportunities. [As technology plays a crucial role](#)<sup>4</sup> in integrating ESG into strategic processes, the tech sector has an opportunity to thrive and make a real difference in this space. To do so, it needs to improve its own processes while also building solutions that help other sectors do better.
- Lead successful AI adoption by ensuring that all departments work together and AI value is communicated clearly and with a strong connection to departmental business objectives. To help the sector move beyond the AI hype, KPMG has identified five key areas for organizations to focus on: delivering value, unlocking capabilities, building trust, scaling with confidence and architecting transformation. Our [global tech report](#) elaborates on each of these.

In line with the [KPMG 2024 Technology and Telecommunications CEO Outlook](#)<sup>5</sup>, this research shows that there is optimism about growth in the tech sector. To navigate new technologies such as generative AI alongside environmental and economic challenges, tech companies will have to remain disciplined and strategic during their transformation journeys.

<sup>4</sup> Tech-driven ESG: Navigating risks with precision

<sup>5</sup> KPMG 2024 Technology and Telecommunications CEO Outlook



# How KPMG can help

## Transformation is an ongoing journey

There's no quick fix for today's business challenges. Major changes are commonplace and often happen in parallel, involving more stakeholders, with more at risk and more complex decision-making required.

All this can put relentless pressure on you, your people and your broader ecosystem. This journey of constant change is unpredictable, but how you approach it should not be. The KPMG Transformation Journey helps you navigate these shifting end points, helping you to deliver the results that matter.

But the journey doesn't end here. We combine advanced technology, in-depth experience and operational excellence to continually evolve your processes, working on a subscription-as-a-service basis.

With KPMG Managed Services, we help you create nimble, scalable business functions that evolve as you grow and pivot quickly amid changing priorities. That's how to accelerate and sustain your transformation journey and stay ahead of competitors — while helping minimize disruption and risk. [Learn more.](#)

## ESG

KPMG, as a global organization, knows the intrinsic power of ESG to transform your business, and KPMG professionals can show you how to enhance trust, mitigate risk and unlock new value as you transform and work to build a sustainable future. Our services are holistic and practical, and we are able to guide your teams to drive sustainable innovation across your organization.

Through industry-leading expertise, data-driven technology and global alliances, KPMG professionals' experience across critical ESG issues means we can assist you in creating the right roadmap for your journey, putting ESG at the core of your operations — where it should be. [Learn more.](#)

## You can with AI

In the AI era, anything seems possible — untapped value, constant innovation, new frontiers. Especially with a knowledgeable guide by your side.

We help clients harness the power and potential of AI. From strategy to implementation. Small steps to helping solve seemingly impenetrable problems. Underpinned by trust.

You can discover endless opportunities with AI. Let KPMG show you how. [Learn more.](#)

## KPMG Trusted AI Framework

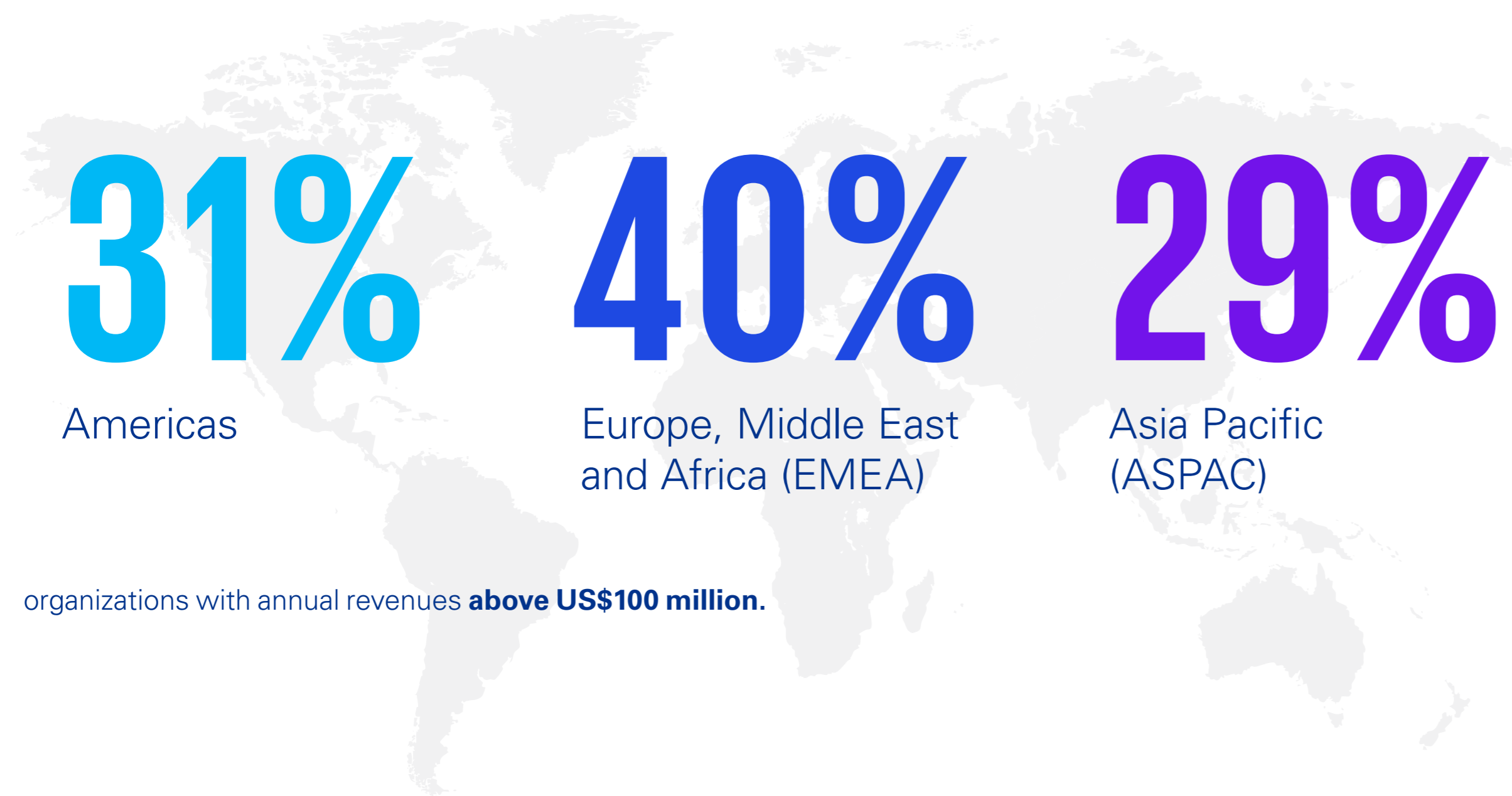
KPMG Trusted AI Framework can help with designing, building, deploying, and using AI tech solutions in a responsible and ethical manner, seeking to accelerate value with confidence. [Learn more.](#)





# Methodology

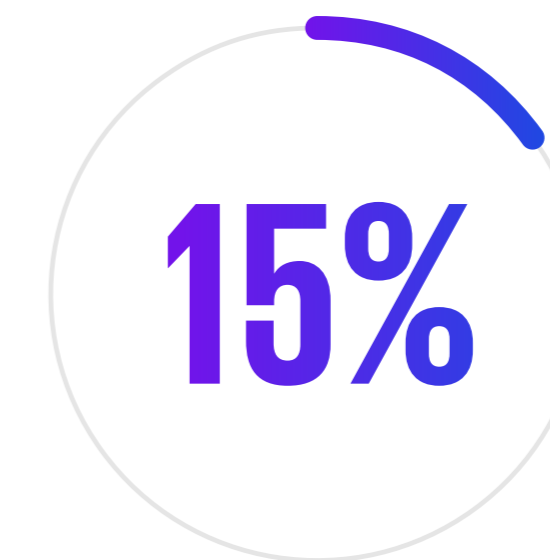
## More than 20 countries/territories:



The technology sector perspectives of the KPMG global tech report 2024 draws on the views of **490 technology leaders**. Survey respondents represented a diverse group of tech leaders, such as chief digital officers, CIOs, CTOs, CISOs, chief AI officers, and others.



were board members or members of the C-suite.



held director or senior manager level positions.



# About the authors



## Mark Gibson

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Mark is the Global Head and the US Sector Leader for Technology, Media, and Telecommunications (TMT) and also serves as the Global Lead Partner for a KPMG in the US firm client that's one of the largest technology companies in the world. Previously, he served as the Office Managing Partner of the Seattle office of KPMG in the US from 2011 to 2020. During his 30-year career, he has worked with clients in the telecommunications, technology, consumer products and retail industries, and now collaborates with TMT teams across audit, tax and advisory in over 15 different countries.



## Anna Scally

Partner, International Tax & TMT Sector Lead for KPMG in EMA KPMG in Ireland

Anna is an International Tax Partner at KPMG Ireland. She is also KPMG's Technology, Media and Telecoms (TMT) Sector Leader in EMA. She has also led KPMG in Ireland's Fintech practice. Anna has 20 years' experience at partner level advising Irish and international companies on tax matters, including M&A, financing, group structuring, R&D, IP and international tax matters. Anna's clients include companies in the technology, media, telecommunications, fintech, pharmaceutical and life sciences sectors. She is also passionate about innovation and scaling ambitious start-ups, and advises a number of earlystage companies on fundraising, shareholding arrangements, rewarding founders, incentivizing employees and growing global operations.



## Atul Gupta

Partner and Head Digital Trust and Cyber KPMG in India

Atul is a Partner with Consulting Services, KPMG India and leads the Digital Trust Practice. He is also a leader for Cyber in the TMT industry.

Atul has more than 25 years of experience in technology consulting with a deep focus on cyber and digital trust covering strategy, governance, large-scale transformation, automation at scale, AI-led self-healing solutions, championing Trusted AI Framework and establishing resilient and trusted organizations. Atul's experience is across a wide range of industries, including Telecom, Financial Services, Technology, Energy and Industrial Markets, across global geographies. Atul has also worked with KPMG in the US (Silicon Valley). He is passionate about growth and development of the digital trust domain and has been actively contributing in the development and progress of the profession by associating with multiple industry forums.



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