**KPMG Global Technology Report 2024: Executive Summary**

**Beyond Trends: Balancing Speed, Security, and Value**

**Introduction: New Balances in Technology**

KPMG's 2024 Global Technology Report, drawing insights from 2,450 technology leaders across 26 countries, illuminates the challenges and opportunities organizations face in today's dynamic technology landscape. The report reveals how companies are striving to balance speed, security, and, most importantly, real business value while keeping pace with the dizzying speed of technological innovation. The core objective is to achieve strategic and measurable outcomes rather than blindly following trends. This summary aims to provide our senior executives with key findings, significant trends, and critical recommendations to enable informed decision-making in this rapidly evolving environment.

**Key Findings and Significant Trends: Value Creation Beyond Trends**

Organizations are increasingly adopting a more conscious and strategic approach to technology investments. While the "fear of missing out" (FOMO) remains a factor, decisions are now more heavily based on **tangible data and long-term business objectives.**

* **Strategic Investment Priorities Are Shifting:** While keeping pace with competitors (%82) remains an important motivation, **third-party consulting (%89)** and **in-house developments/Proof of Concept (PoC) initiatives (%83)** have become more dominant factors in technology investment decisions. This indicates that organizations are focusing more on their unique needs and validated potential. Leading organizations rely %22 more on customer feedback than others and do not list competitor tracking among their top three investment motivations.
* **Increased Profitability and Value Focus from Technology:** **%87 of organizations report increasing their profitability using technology** in the last 24 months. This represents a %25 increase compared to 2023, reinforcing the belief that technology initiatives deliver tangible financial benefits. %72 of participants state that their digital transformation decision-making processes generally lead to value-creating outcomes.
* **Diversifying Investment Portfolio and the Rise of XaaS:** The largest increases in technology adoption maturity are seen in Data & Analytics and **XaaS (Anything as a Service)**. For the upcoming year, XaaS ranks first in investment priorities with %86, followed by **cybersecurity (%68)** and **artificial intelligence/automation (%65)**. Organizations are focusing on the agility and cost advantages of cloud computing.
* **Technical Debt Remains a Significant Barrier:** Although %74 of organizations prefer investing in new technology over improving existing ones, **unresolved technical debt** continues to be one of the biggest obstacles to new updates. %57 of participants report that flaws in core enterprise IT systems disrupt business continuity weekly, emphasizing the urgent need to address technical debt.
* **Distinguishing Characteristics of High-Performing Organizations:** These organizations are %23 less concerned about keeping pace with the speed of change. They are %17 more likely (%83) to continuously review the business value and outcomes of all technology investments and %21 more likely to conduct data-driven calculations to assess potential value before investing. Furthermore, they are more likely to leverage consultants to expand their ecosystems (%93 vs. %70) and proactively address technical debt.

**Key Findings and Significant Trends (Continued): Data, Sustainability, and Resilience**

Data is at the heart of digital transformation, and organizations are making significant strides in enhancing their data capabilities.

* **Visible Progress in Data Maturity:** An average of **%52 of organizations are at the top two levels of data proficiency** (effective/ingrained), up from %40 in 2023. Cloud platforms play a key role in this maturity increase. However, **%78 of executives indicate that their organizations fail to effectively utilize customer feedback**, suggesting missed opportunities for valuable insights.
* **Priorities in Value Measurement:** The three most popular methods for measuring value are **growth metrics** (number of new products launched), **financial metrics** (cost of service and profitability), and **customer-centric metrics** (customer satisfaction and growth of customer base). High-performing organizations utilize these metrics more effectively and are more inclined to use real-time data in their decision-making processes.
* **Developing Sustainable and Resilient Solutions:** The most important data management areas to focus on for development in the next 12 months are **data security (%35), data accessibility (%33), and data governance (%32)**. High-performing organizations focus more on ensuring data security and data investments align with the priorities of business stakeholders.
* **Cybersecurity and Privacy Are the Biggest Concerns:** **Cybersecurity and privacy** remain the biggest concerns hindering successful digital transformation. While %72 of organizations adopt a "security by design" approach by involving cybersecurity teams early in technology investment projects, %78 of participants state that employee training treats cybersecurity merely as a "checkbox" and is not sufficiently internalized.
* **Risk Management and Resilience:** **%80 of executives indicate that upper management's risk aversion** causes their organizations to adopt new technologies slower than competitors. Poor management and coordination are also cited as one of the top three challenges impeding transformation progress.

**Key Findings and Significant Trends (Continued): Artificial Intelligence and Future Outlook**

**Scaling AI with Confidence**

Artificial intelligence (AI) has the potential to fundamentally transform business models beyond merely improving operations.

* **Value from AI is Being Realized, But Scaling is Limited:** **%74 of participants state that AI improves their organization's overall performance** by increasing the efficiency of knowledge workers. However, only **%31 of all organizations report successfully moving AI to production at scale**. The majority (%43) are still in the strategic investment and active use phase.
* **Democratic and Experimental Approaches in AI Innovation:** Organizations are approaching AI experimentation with a more inclusive perspective. The most popular approach (%40) is to establish open collaboration through controlled working groups or AI Centers of Excellence (CoE) with representatives from every department.
* **Barriers and Concerns in AI Scaling:** The biggest bottleneck when moving AI models from PoC to production is concerns about their **reliability, quality, and security**. More than %78 of organizations are concerned that many users perceive AI as a 'black box', and %77 are worried that AI could create challenges for existing operational structures, leading to job displacement and ethical concerns.
* **High-Performers Utilize AI More Effectively:** **%93 of leaders use AI or predictive analytics to measure technology performance** (23% higher than the mainstream). They are %18 more likely (%89) to use AI to fill talent gaps among knowledge workers in their companies.

**Conclusion and Key Recommendations: The Formula for Successful Digital Transformation**

While the pace of digital transformation can be daunting, organizations are making significant strides, particularly in AI, XaaS, and cybersecurity. Beyond profitability, the goal of creating value aligned with strategic objectives such as ESG responsibilities and customer experience is gaining prominence. Success hinges on the consistent implementation of the following key actions:

* **Overcome the Fear of Missing Out (FOMO):** Base decisions on your organization's strategic objectives and concrete primary evidence.
* **Define and Deliver Value Empirically:** Clearly define success metrics, align stakeholders, and continuously monitor performance.
* **Reduce Technical Debt:** Adopt structured technical debt management to control and rationalize the technology landscape.
* **Leverage the Power of Collaboration:** Explore new ways to collaborate, co-invest, and share risk with trusted partners.
* **Prioritize Trust and Security:** Ensure solutions are "secure by design." Design, build, and use AI and new technologies responsibly and ethically.
* **Build a Robust Data Infrastructure:** Establish a solid data governance framework that ensures data is reliable, relevant, and appropriately used, integrating people, processes, and policies.
* **Enhance AI Capabilities Through Knowledge Sharing:** Assess your workforce's AI proficiency and inclinations. Determine the best way to close knowledge gaps, facilitate continuous learning, and foster cross-functional collaboration.

Organizations that adopt these strategies can unlock the potential of their technology investments, gain a competitive advantage, secure market share, and drive growth.