

KPMG Global Tech Report 2024: Comprehensive Executive Summary

1. Introduction: An Era of New Transformation

KPMG's Global Tech Report 2024 is a comprehensive report that brings together the views of more than 2,450 technology leaders from 26 countries. By covering 8 different sectors, including financial services, retail, industrial manufacturing, energy, and healthcare, this report sheds light on the challenges technology leaders face, the strategies they adopt, and their future priorities.

The research reveals that while the pace of technological innovation continues to create "fear of missing out" (FOMO) in organizations, this fear has now evolved into a more mature and strategic approach. Leaders are focusing on maximizing the return on their investments and business value, avoiding costly and rushed decisions. This new approach ensures that technology investments are seen not just as a cost item, but as a strategic engine for growth. The report details how high-performing technology leaders differentiate themselves from their competitors in critical areas such as data-driven decision-making, technical debt management, and AI integration.

2. Key Findings: The Transformation of Strategies and Value Creation

2.1. Data-Driven Decision-Making Gains Importance

Executives are now shaping their technology investment decisions based on their own primary data and business needs, rather than what competitors are doing. While following competitors (70%) was a significant factor in 2023, this year third-party consultancy (89%) and in-house developments (83%) have come to the fore. This shift indicates that technology leaders are no longer following the market but are moving towards setting their own strategies. Furthermore, high-performing organizations place 21% more importance on data-driven analytics to calculate the potential value of technology initiatives compared to other organizations.

2.2. Tangible Value from Technology Investments

The report supports the positive impact of technology investments on profitability and business value with concrete data. 72% of respondents stated that digital transformation-related decision-making processes often lead to results that create business value. Compared to 2023, the percentage of executives reporting a positive impact of technology on profitability increased by 25% year-on-year.

- In all technology categories, an average of 87% of organizations succeeded in increasing their profitability in the last 24 months.
- The largest increase in profitability was seen in investments in artificial intelligence/automation (93%), cybersecurity (93%), and cloud computing (92%). This

data proves that technology investments are no longer a cost but a direct tool for revenue and profitability growth.

2.3. The Destructive Impact of Technical Debt and its Management

Technical debt is the accumulated cost and risk caused by outdated or inefficient systems in an organization's technological infrastructure. The report highlights how critical this issue is in a striking way. 57% of respondents stated that disruptions in core enterprise IT systems affect business continuity on a weekly basis. Technical debt, seen as one of the biggest challenges slowing down digital transformation, delays modernization projects and leads to unexpected costs.

The report emphasizes the seriousness of this problem, stating that technical debt should not be seen as a "loan from the future" but as a risk that needs to be managed proactively.

2.4. Future Investment Priorities and Technological Maturity

The technological implementation maturity of organizations has improved significantly in recent years. Leaders have begun to integrate advanced technologies such as artificial intelligence and machine learning into their core operations. The top investment priority for the coming year has been identified as "Everything-as-a-Service" (XaaS) at 86%. XaaS allows companies to reduce hardware, software, and infrastructure costs while increasing flexibility and scalability.

Other important investment areas include:

- **Cybersecurity (68%):** With the increase in AI-powered cyberattacks, organizations continue to strengthen their defense mechanisms.
- **Artificial Intelligence (AI) / Automation (65%):** AI plays a critical role not only in increasing efficiency but also in developing new products and services.
- **Edge Computing (61%):** This technology, which brings data processing power closer to where data is collected (the edge), improves the performance of IoT (Internet of Things) devices and real-time applications.
- **Cloud Computing (54%):** Cloud technologies continue to be the cornerstone of digital transformation.

3. Major Trends: From Leadership to Innovation

3.1. Shift from Fear of Missing Out to Strategic Leadership

Organizations are no longer reacting to market trends but are aiming to become proactive leaders by turning technological investments into evidence-based decisions that align with business strategies and balance risk appetite. This approach ensures that technology moves from being a cost center to a source of strategic competitive advantage.

3.2. The Rise of Artificial Intelligence: Transformation Beyond Operations

AI is no longer just a tool that increases operational efficiency but is becoming a force that fundamentally changes business models and ways of doing business. The report states that intelligent ERP (Enterprise Resource Planning) and CRM (Customer Relationship Management) systems optimize workflows by automating processes and providing personalized customer services. Generative AI, in particular, is bringing revolutionary changes in areas such as new product development, creating marketing content, and automating customer service processes.

3.3. Proactive Technical Debt Management

The report emphasizes that organizations leading in digital transformation are adopting continuous investment to reduce technical debt and avoid future unexpected costs. These organizations see technical debt not as a "burden from the past" but as an obstacle to innovation, and they adopt a systematic approach to remove this obstacle. This proactive strategy is critical for long-term sustainable growth.

4. Key Recommendations: A Roadmap for the Future

The report provides concrete recommendations for technology leaders for the future:

- **Adopt a Balanced and Strategic Approach:** Do not get carried away by the allure of new technologies and ignore the technical debt in your existing systems. By following a balanced investment strategy between old and new technologies, you can secure both today's efficiency and tomorrow's innovation.
- **Focus on Data and Analytics:** High-performing organizations place more importance on data-driven analytics to calculate the potential value of technology initiatives. Create a mechanism that constantly reviews the business value and results of all technology investments.
- **Increase Interaction with Business Units:** Strengthen communication between IT departments and business units to ensure technology aligns with business strategies. Understanding the needs of the business correctly is key to making accurate and valuable technology investments.
- **Leverage External Resources:** The report shows that 93% of leading organizations use consultants, technology providers, and other partners to expand and strengthen their ecosystems. External expertise can help organizations access innovative solutions more quickly.
- **Establish a Comprehensive Governance Framework for AI:** To scale AI safely and ethically, establish a robust governance framework that covers issues such as ethics, risk management, data quality, privacy, and accountability. This will maximize the benefits it offers while minimizing its potential risks.

- **Invest in Talent and Culture:** The success of technology investments also depends on the right talent and an innovative culture. Build an organizational structure that encourages employees to learn continuously and supports technology adoption.

This summary has been expanded to cover the most important findings, trends, and recommendations of KPMG's Global Tech Report 2024, providing a comprehensive perspective to guide senior executives in their strategic decisions.