KPMG

KPMG global tech report 2024

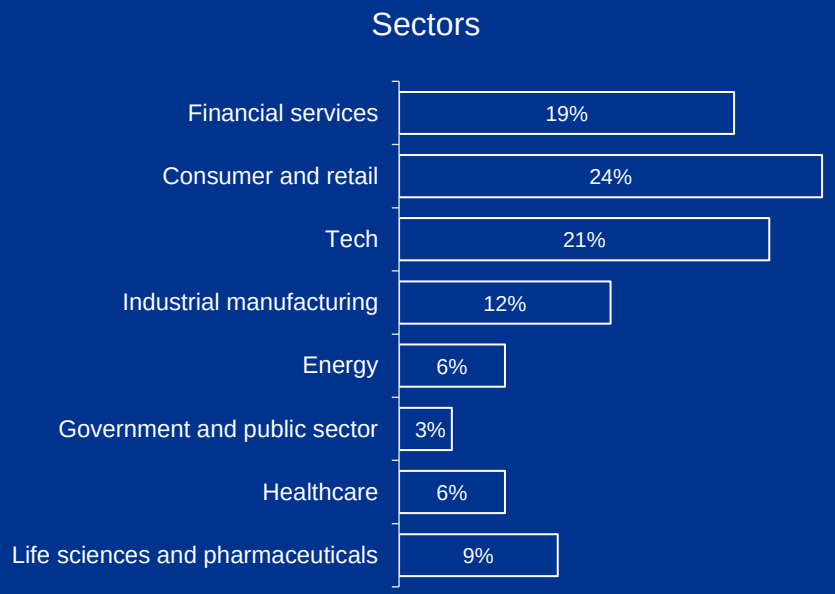
September 2024

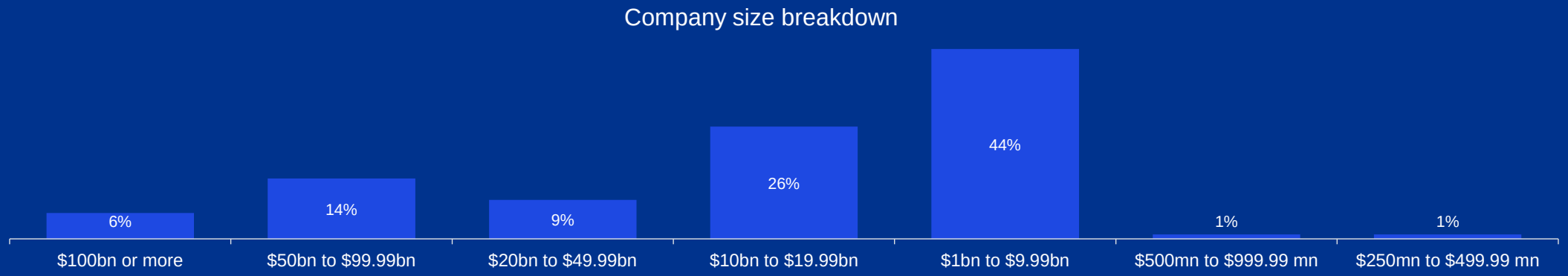
Market: US

Research methodology

US Market: respondent demographics

Sample size	**400**
Company size	**$250 million and over**





Key stats: US headlines

88% of US businesses report improvements in profitability and performance

This marks a shift forward as only 45 percent reported improvements from digital transformation efforts in 2023

81% express difficulty in keeping up with the pace of change

US businesses are feeling the pressure with keeping up with the pace of technological change

71% target sustainability and social responsibility goals

The majority of US businesses ensure their tech investments target their sustainability and social responsibility goals

Growth in market competitiveness is denting the confidence of most US organizations

US businesses are more likely than the global average to feel less confident about investing in new technology because of the growing competitiveness in their organization's market

AI 39 percent have AI use cases delivering business value and 35 percent are scaling AI with ROI achieved

#1 Cybersecurity and privacy concerns are the top barriers to US digital transformation

Research findings

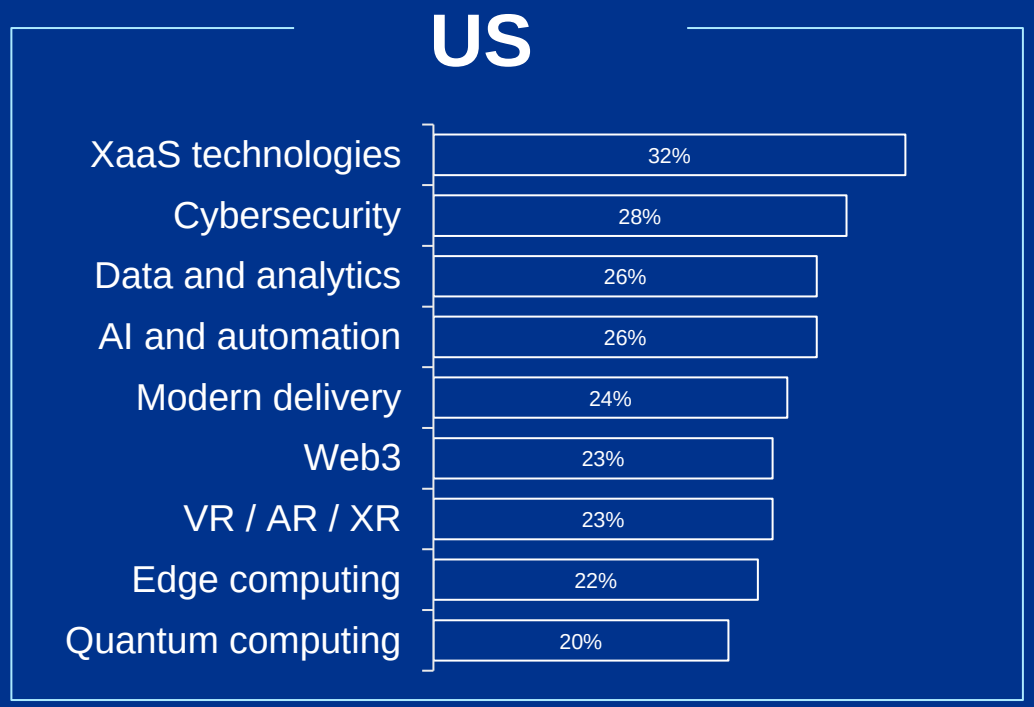
Section 1

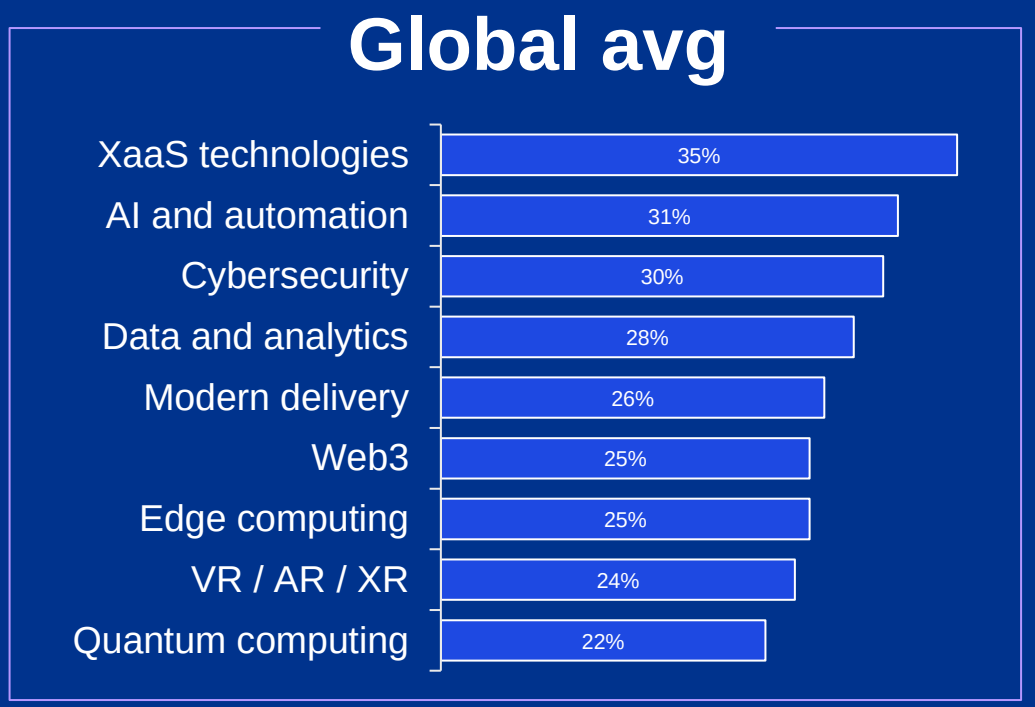
Extracting value vs the pace of change in digital transformation

The US's progress with digital transformation strategies and implementation aligns with the global average

US organizations align closely with global peers in digital transformation priorities, with XaaS leading in both regions.

Proportion of organizations that are proactive in progressing against their strategies in the following areas



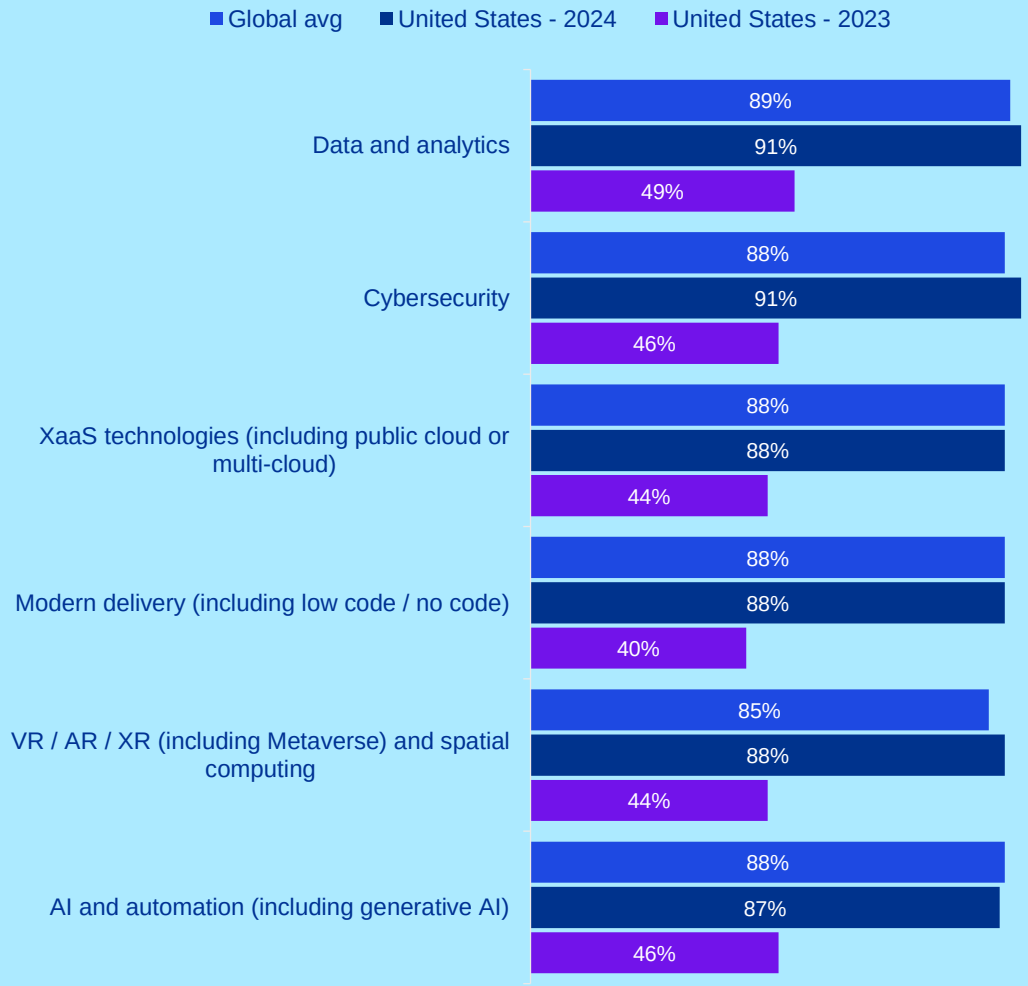


US businesses see a significant improvement in digital transformation outcomes in 2024

The 2024 data shows a marked shift in the US, with **significantly more businesses (an average of 88%) now reporting improvements in profitability and performance** from digital transformation efforts compared to 2023.

In contrast to last year, this year's findings indicate a strong alignment with global trends, reflecting a **growing maturity in digital initiatives across the US market**. This improvement suggests a more widespread realization of value from key technologies, bridging the gap from the previous year.

Have digital transformation efforts with the following tech improved your profitability or performance over the last two years?



However, US businesses are still feeling the pressure to keep pace with rapid technological change

Despite the leap forward in digital transformation outcomes achieved in the last year, overall US businesses feel it is difficult for their organization to keep up with the pace of technological change. The majority cite financial constraints as a key stumbling block for staying competitive.

It often feels like we don't have the budget to keep up with the pace of technological change

US	56%
Global avg	54%

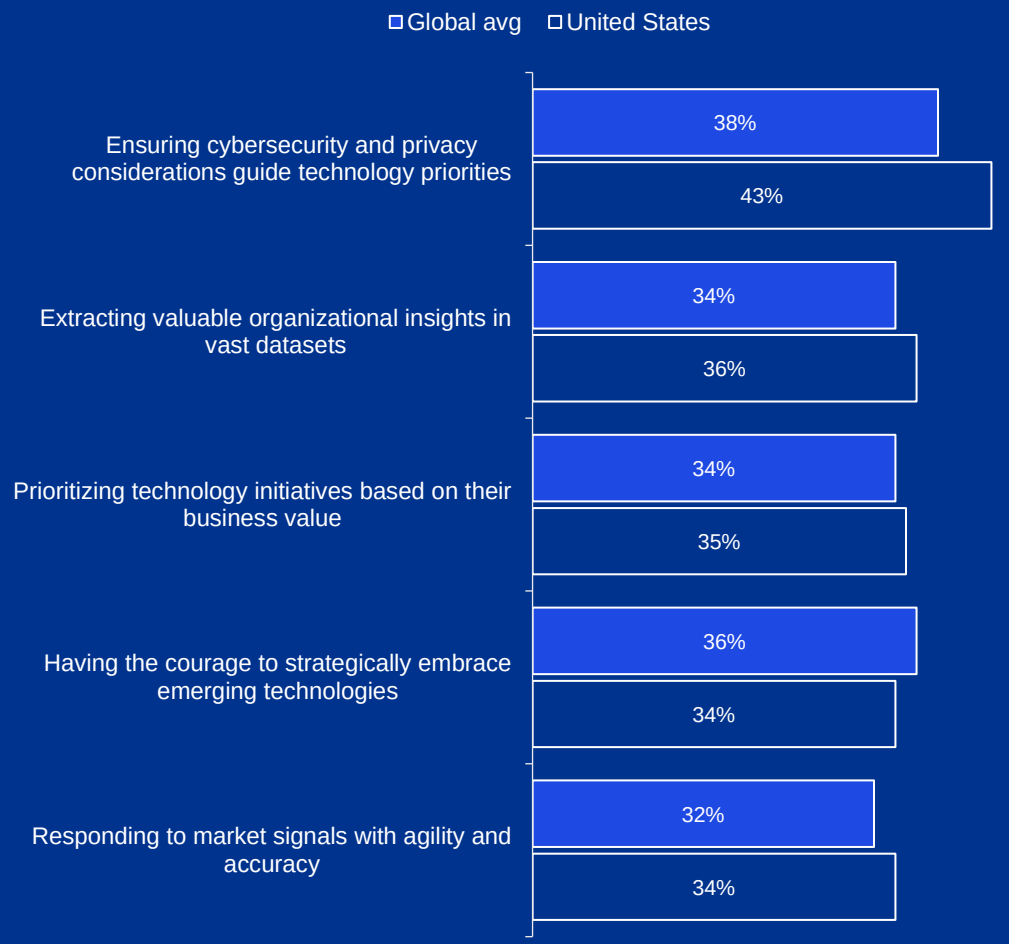
It is difficult for us to keep up with the pace of change

US	81%
Global avg	78%

Cybersecurity and insight extraction regarded as key attributes for success in a digital economy

US businesses consider cybersecurity capabilities as the top attribute to thrive in a digital economy, outpacing the global average, **highlighting the critical importance US organizations are placing on safeguarding digital operations**. Extracting valuable insights from vast datasets is a close second, **underscoring the growing emphasis on data-driven decision-making**.

Other key goals include prioritizing technology initiatives based on business value and courageously embracing emerging technologies, reflecting a balanced focus on risk management and innovation.



In fact, cybersecurity concerns are the most likely factor to trigger a slowdown in digital transformation progress

Cybersecurity and privacy concerns are the top stumbling blocks for US digital transformation, which matches the global consensus. US organizations also align with the high-performers in the research by placing unaddressed tech debt in their top three challenges, emphasizing the growing need to modernize legacy systems to move digital transformation journeys forward. Whereas the overall global consensus placed unaddressed tech debt outside of their top five challenges.

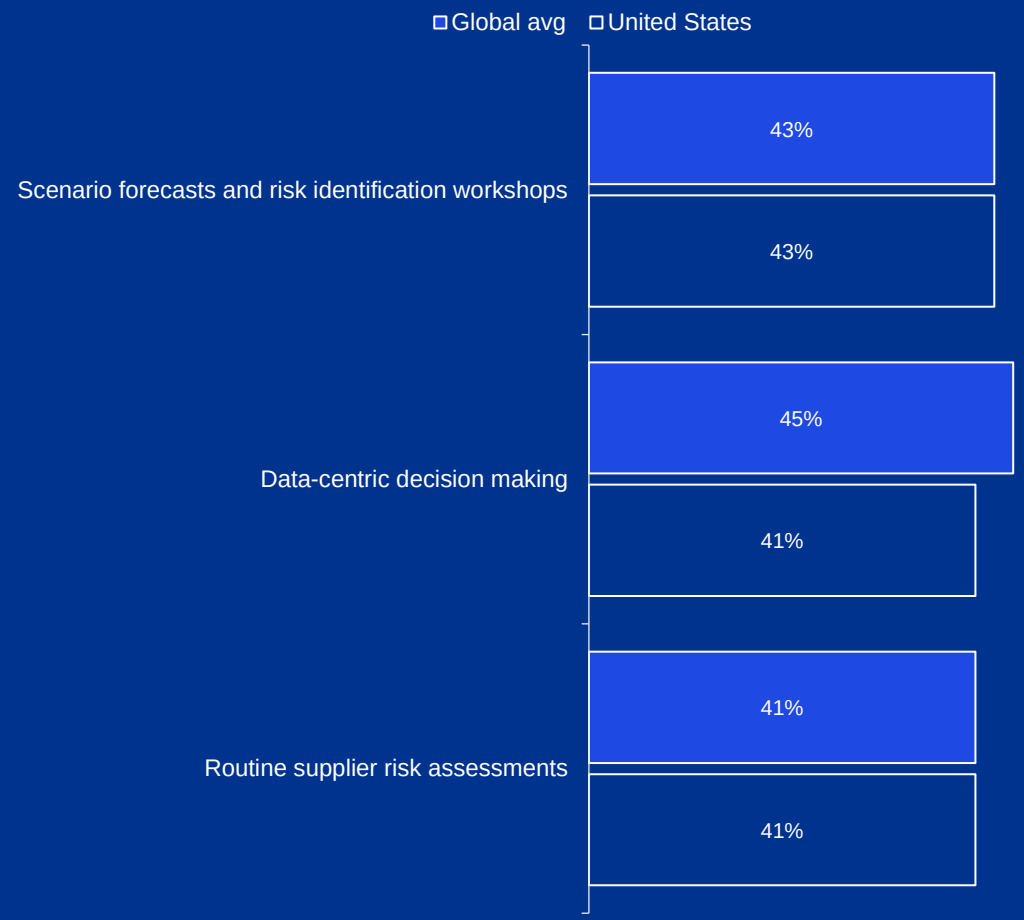
Toughest digital transformation challenges

	US	Global high-performers	Global avg
#1	Cybersecurity/privacy concerns	Cybersecurity/privacy concerns	Cybersecurity/privacy concerns
#2	Unaddressed tech debt	Ineffective governance	Risk-averse culture
#3	Lack of stakeholder buy-in	Unaddressed tech debt	Lack of stakeholder buy-in

To respond to market risks US organizations prioritize scenario forecasts and risk identification workshops

While the global focus is on data-centric decision-making, US organizations place emphasis on scenario forecasts and risk identification workshops, over data-driven decisions. This highlights a US **preference for proactive risk management and scenario planning when adapting digital transformation strategies** to evolving market trends.

Top three tactics employed to adapt digital transformation strategy in response to evolving market trends and risks



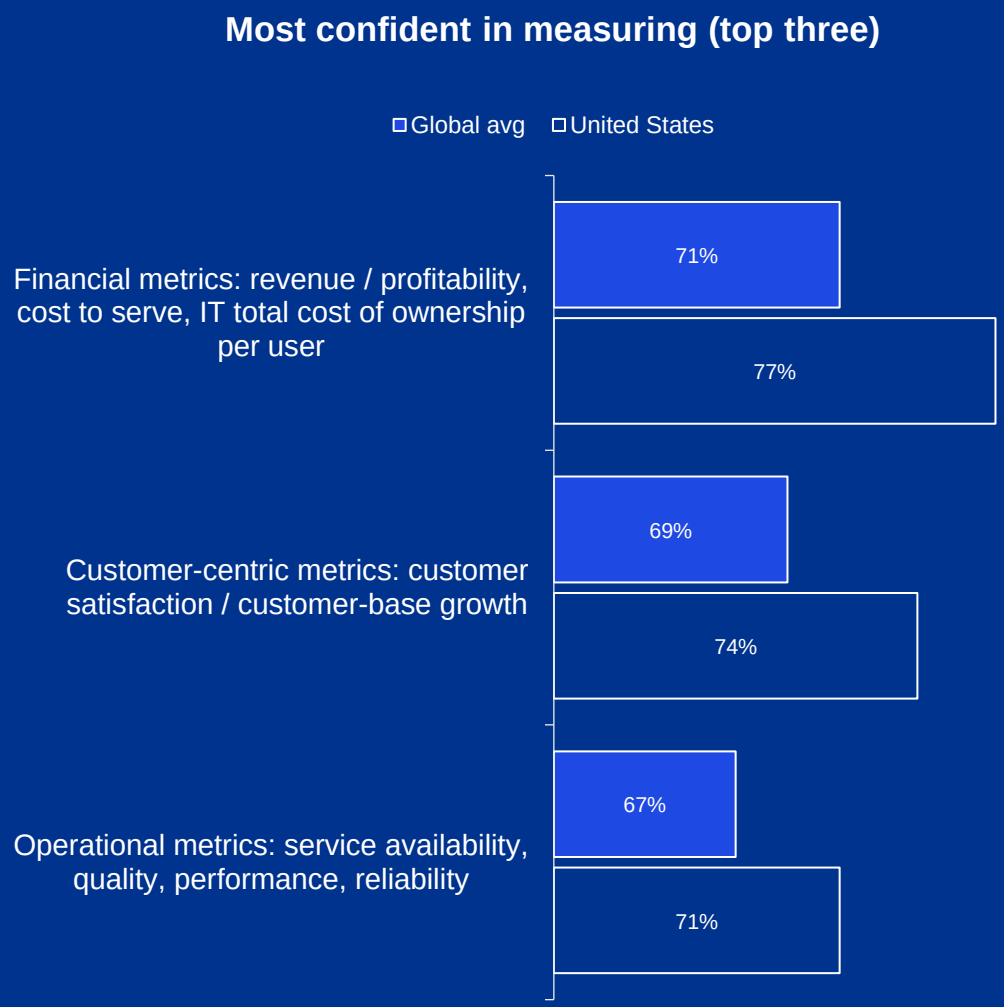
Section 2

Defining and delivering trusted value

An always-on approach to evaluating business value and performance of tech

Rather than evaluate investments in response to certain developments, US organizations take an always-on approach to evaluating the performance of their technologies. In comparison to the global average, the US market is more confident in its ability to measure tech performance, in particular with financial, customer and operational metrics.

72% of respondents continuously evaluate the business value and outcomes of all their tech investments. This is slightly above the global average (by four percentage points).



US prioritizes environmental KPIs and ensures initiatives target sustainability goals

While financial performance is the top KPI in the US, they place a stronger emphasis on environmental metrics than the global average. Global consensus placed performance against environmental goals outside their top five metrics for evaluating tech, whereas US organizations place it within their top two.

Top three tech performance indicators

	US	Global avg
#1	Financial	Financial / Business growth
#2	Environmental	Customer
#3	Customer / Risk and Cybersecurity	Risk and cybersecurity

Target sustainability and social responsibility goals

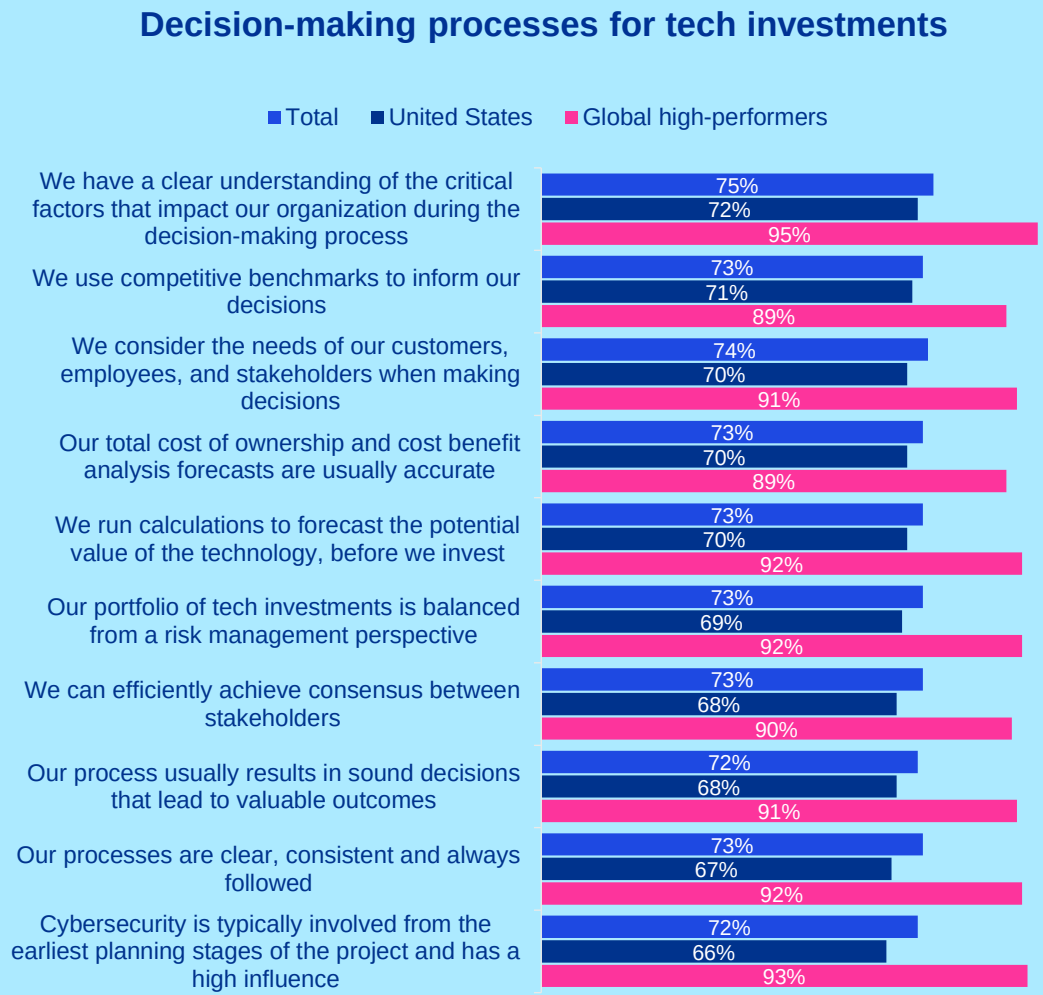
71% Of US respondents ensure their tech investments directly target their sustainability and social responsibility goals, which is slightly above the global average

Decision-making falls short on stakeholder engagement and process consistency

While US companies align with global best practices in many aspects of decision-making for digital transformation, they show lower confidence across critical areas like understanding key factors, stakeholder engagement, and risk management.

US organizations lag behind global benchmarks in achieving consensus among stakeholders (68 percent vs. 73 percent) and maintaining consistent processes (67 percent vs. 73 percent), indicating room for improvement in internal alignment and process rigor.

Addressing these gaps presents a significant opportunity for US companies to enhance their digital transformation decision-making frameworks and achieve better outcomes.



US organizations emphasize strategic alignment and diverse metrics in tracking tech investments

Both US and global organizations prioritize aligning tech investments with long-term goals and regularly updating value-tracking metrics. However, US companies place more importance on using both qualitative and quantitative metrics for trend analysis.

Strategies to track value of digital transformation projects and investments

US

#1 Aligning investments with long-term goals

#2 Regularly update value-tracking metrics / Use qual and quant metrics for trends

#3 Real-time data guides decisions

Global avg

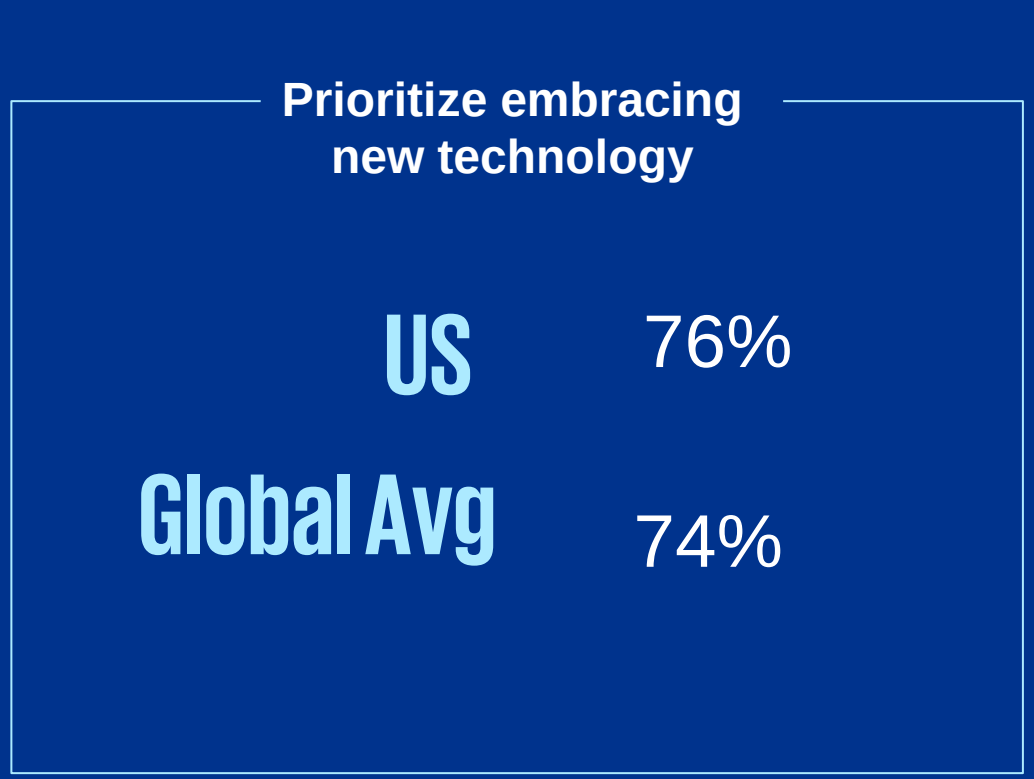
#1 Aligning investments with long-term goals

#2 Regularly update value-tracking metrics

#3 Real-time data guides decisions

Balancing new technology adoption with persistent legacy system disruptions is challenging

US organizations prioritize adopting new technology to deliver new value into their business models, but 58 percent still face weekly disruptions due to flaws in their legacy systems, highlighting challenges in balancing modernization with existing infrastructure.

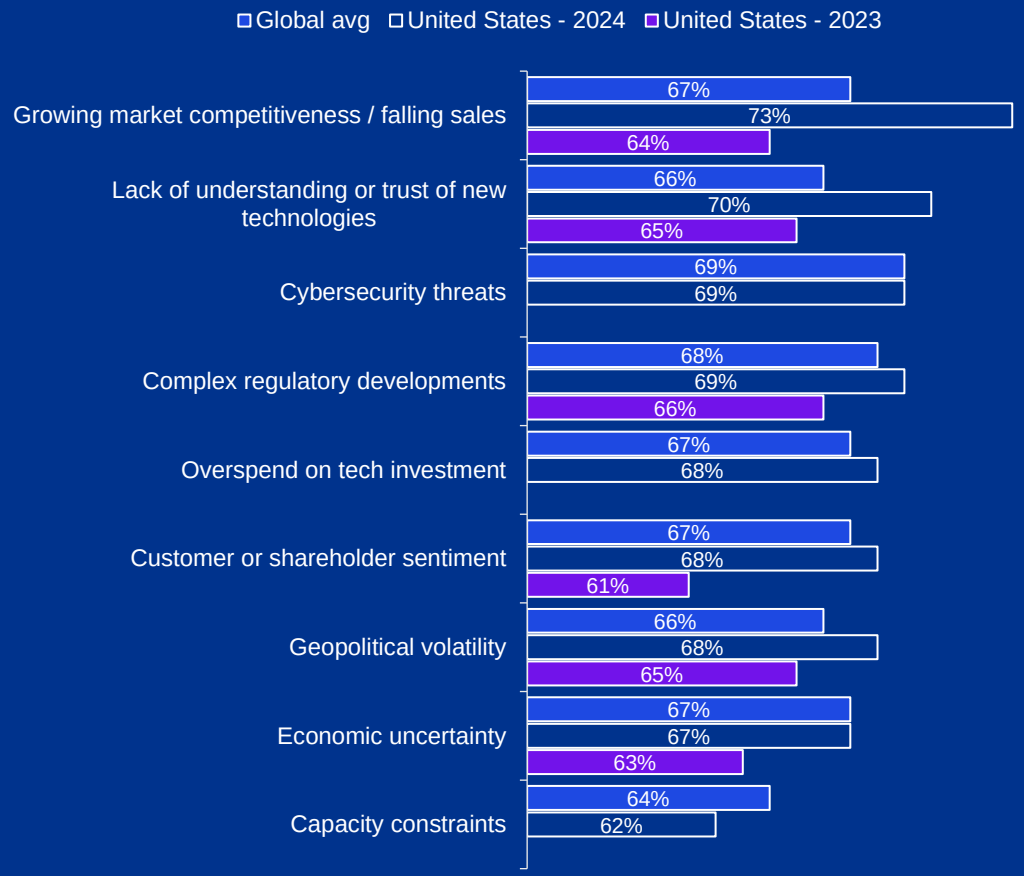


Nervousness around further investments has increased YoY, with market competition a standout issue in 2024

US businesses report increased anxiety across all categories tracked since 2023, with heightened concerns around market competition (73 percent), trust in new technologies (70 percent), and regulatory challenges (69 percent). Notably, **competitive pressures are significantly higher than last year and above the global average**.

While strategic concerns have intensified, operational worries like capacity constraints have slightly eased, **signaling a shift in focus towards external pressures and trust issues in technology adoption**.

Factors making businesses feel less confident about investing in new technology



Section 3

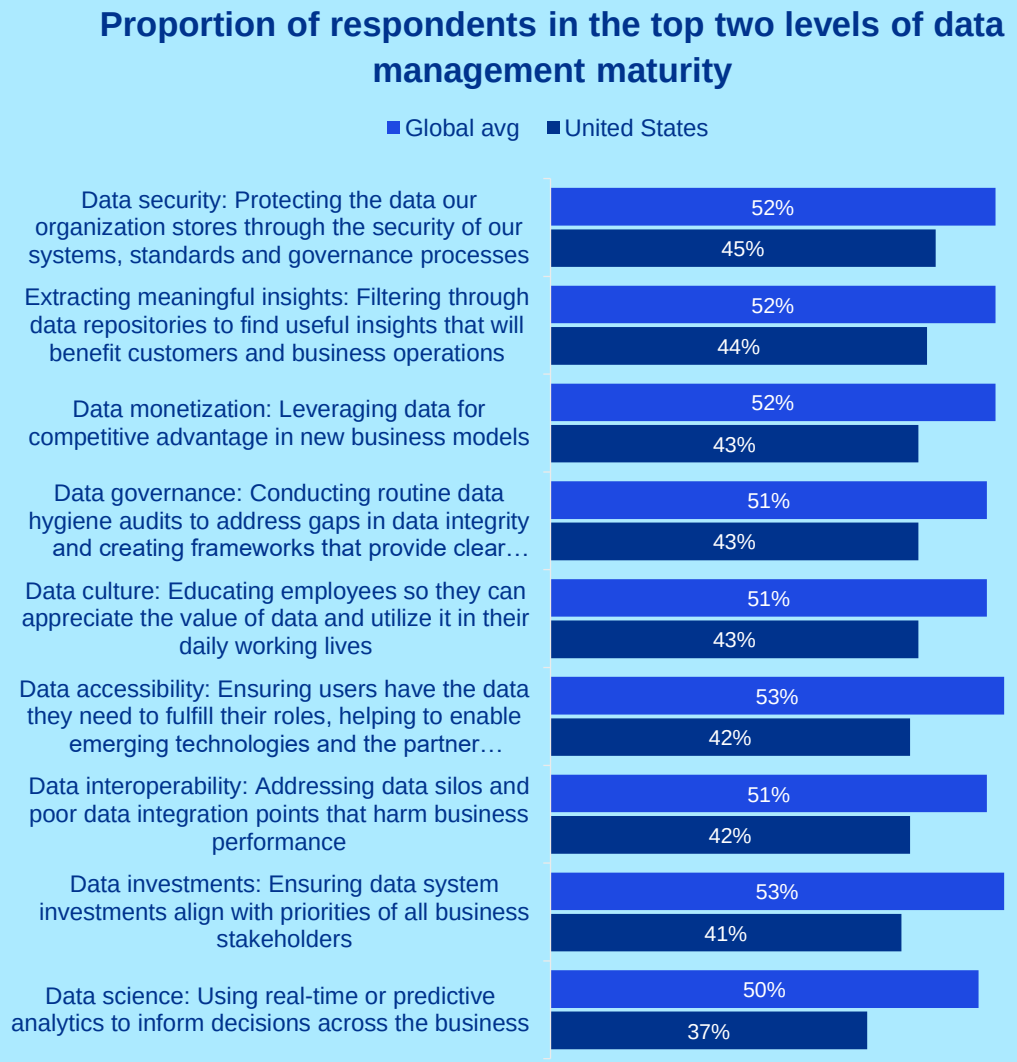
Creating a data backbone

Data foundations and governance

US lags behind global peers in embedding data and analytics activities

US organizations trail global counterparts across all key data and analytics activities in their likelihood to be in the top two levels of data maturity, with significant gaps in areas like data science, data accessibility, and data monetization.

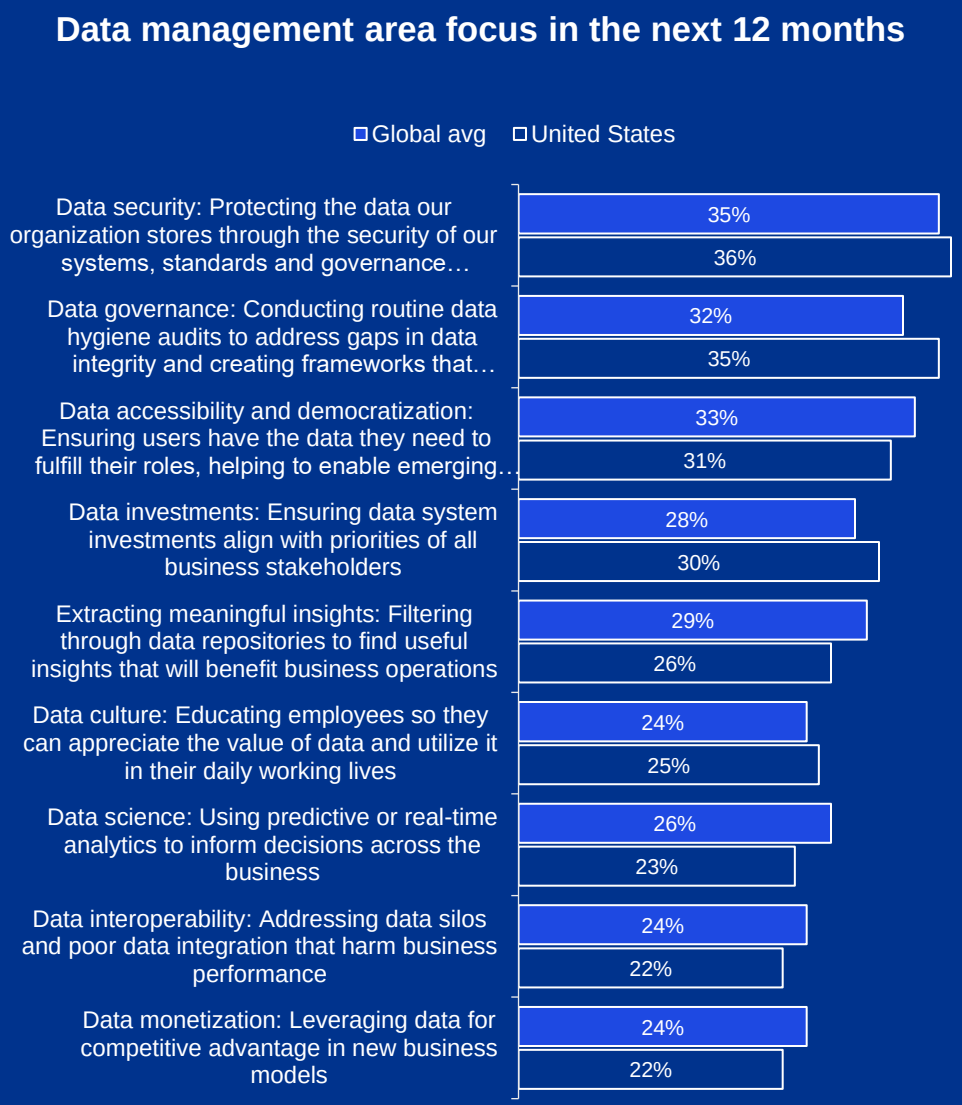
The largest disparities highlight the US's **challenges in fully embedding data-driven practices, particularly when it comes to leveraging data for competitive advantage and making real-time, analytics-informed decisions**. These results suggest opportunities for US businesses to strengthen data governance, culture, and overall effectiveness in utilizing data assets.



Data security and governance lead US priorities, while data insights and culture remain underdeveloped areas

Data security is the top focus for both US (36 percent) and global (35 percent) organizations, underscoring the **critical importance of safeguarding systems and governance**. US companies place greater emphasis on data governance (35 percent vs. 32 percent globally) and aligning data investments with business priorities (30 percent vs. 28 percent).

While data accessibility is a key priority globally (33 percent), the US lags slightly behind at 31 percent. **Lower prioritization of extracting insights and fostering a data-driven culture suggests areas for improvement in both markets**.

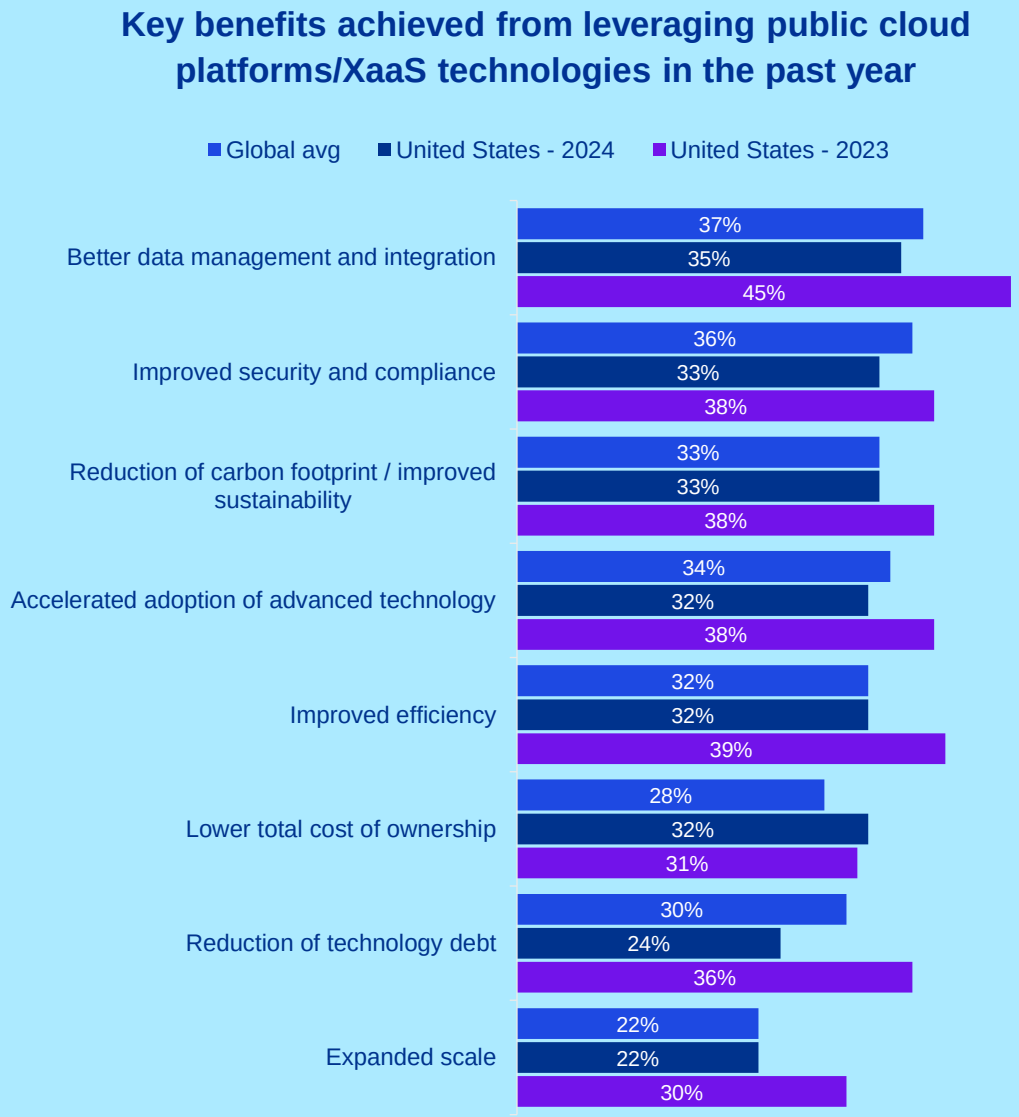


Data management and integration upgrades remain the top benefits of XaaS technologies

Data management and integration continue to stand as the top benefits US organizations are achieving from their XaaS technologies.

In comparison to 2023's findings, security, compliance and sustainability all appear higher in the ranking of XaaS benefits for 2024.

Meanwhile, leveraging XaaS to reduce technology debt has declined from 36 percent to 24 percent, indicating a more strategic approach to cost management. Overall, the 2024 **focus is on optimizing core operations** rather than expansive growth initiatives.



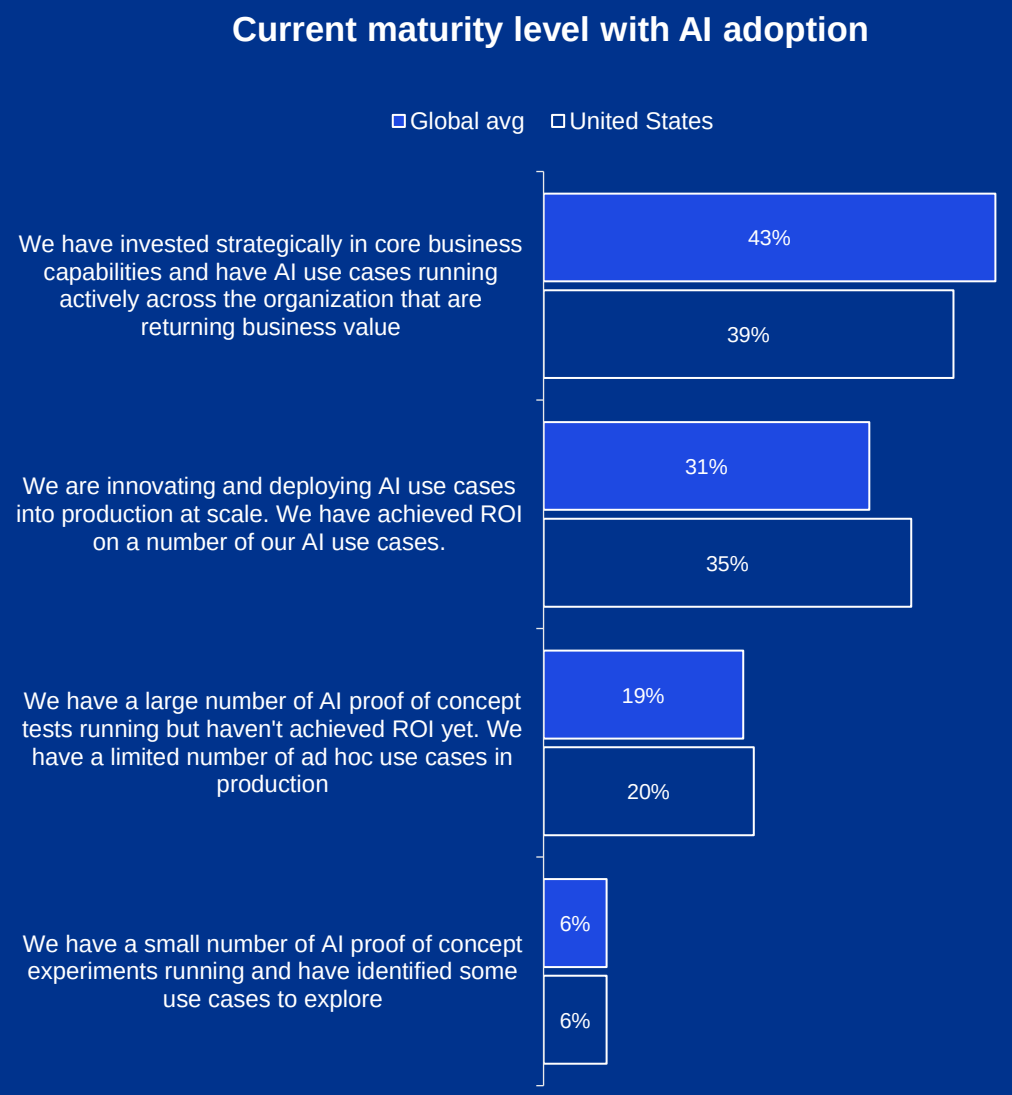
Section 4

Emerging tech:

AI in action

US AI adoption is in line with the global average, with the majority already achieving business value

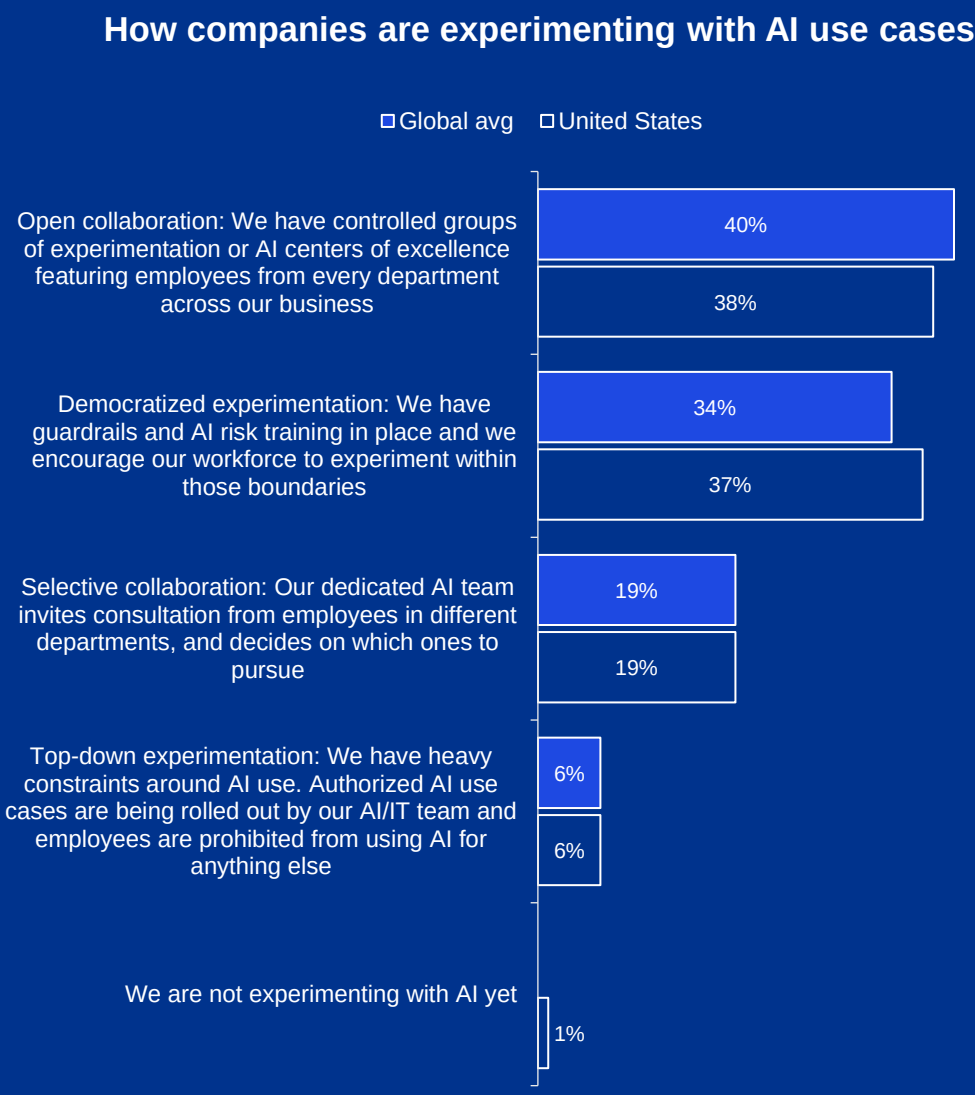
US organizations are making strides in AI adoption, with 74 percent already generating business value from their AI implementation so far. Of this group, 39 percent have AI use cases that are delivering business value and 35 percent are scaling AI with ROI achieved in several cases. The focus remains on advancing maturity levels to unlock broader benefits and move beyond proof-of-concept stages.



US companies favor collaborative and democratized approaches to AI experimentation, with minimal reliance on top-down initiatives

US organizations primarily experiment with AI through open collaboration (38 percent) and democratized approaches (37 percent), closely mirroring global trends.

While selective collaboration is equally used by 19 percent of US and global companies, top-down experimentation remains the least favored method (6 percent). The data indicates that **most US companies are actively exploring AI use cases, with a focus on inclusive and collaborative experimentation**.

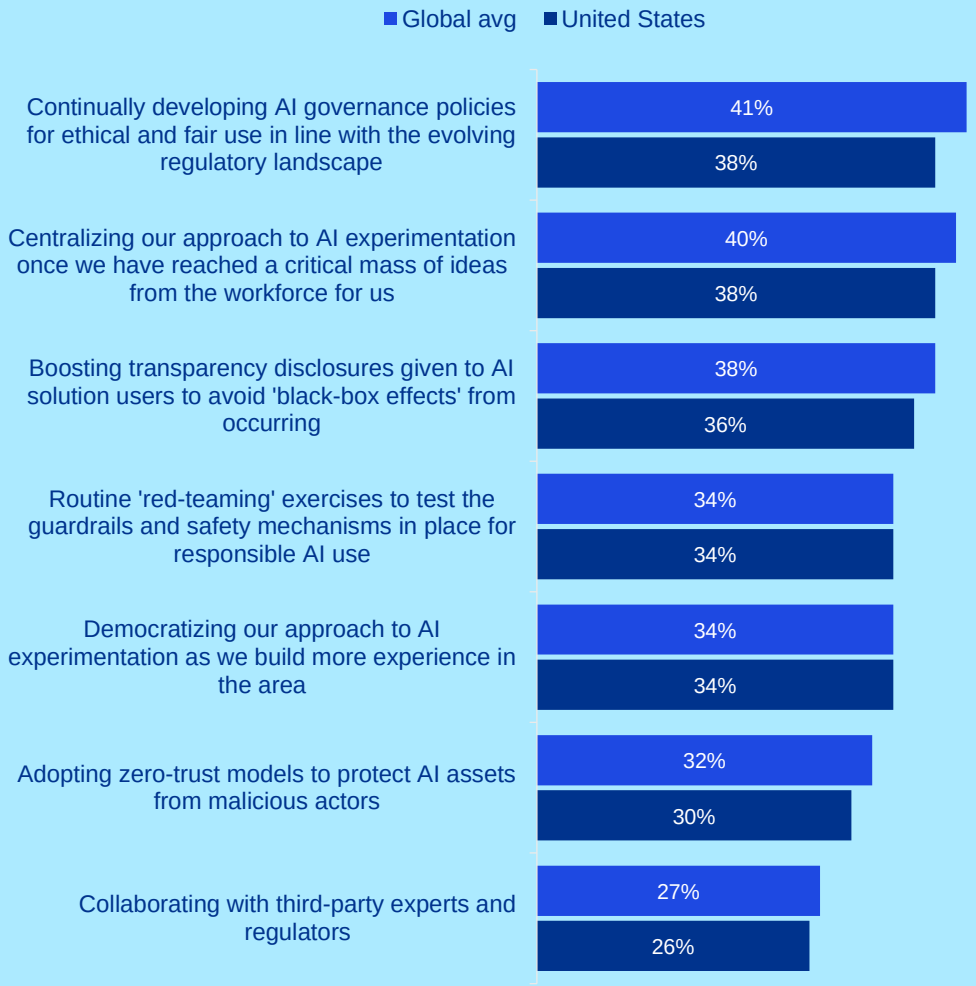


While focus is on continuous oversight to securely scale AI, many expect to hit a tipping point where they will centralize AI experimentation

US organizations prioritize continuous oversight (38 percent) and centralizing AI governance (38 percent) as key strategies for securely scaling AI, closely aligning with global trends. Transparency enhancements (36 percent) and routine governance redesigns (34 percent) are also top priorities, although the US **slightly lags in democratizing AI governance and adopting zero-trust frameworks compared to global peers**.

Collaborative approaches are less emphasized in the US (26 percent), **suggesting room for improvement in cross-functional AI governance efforts.**

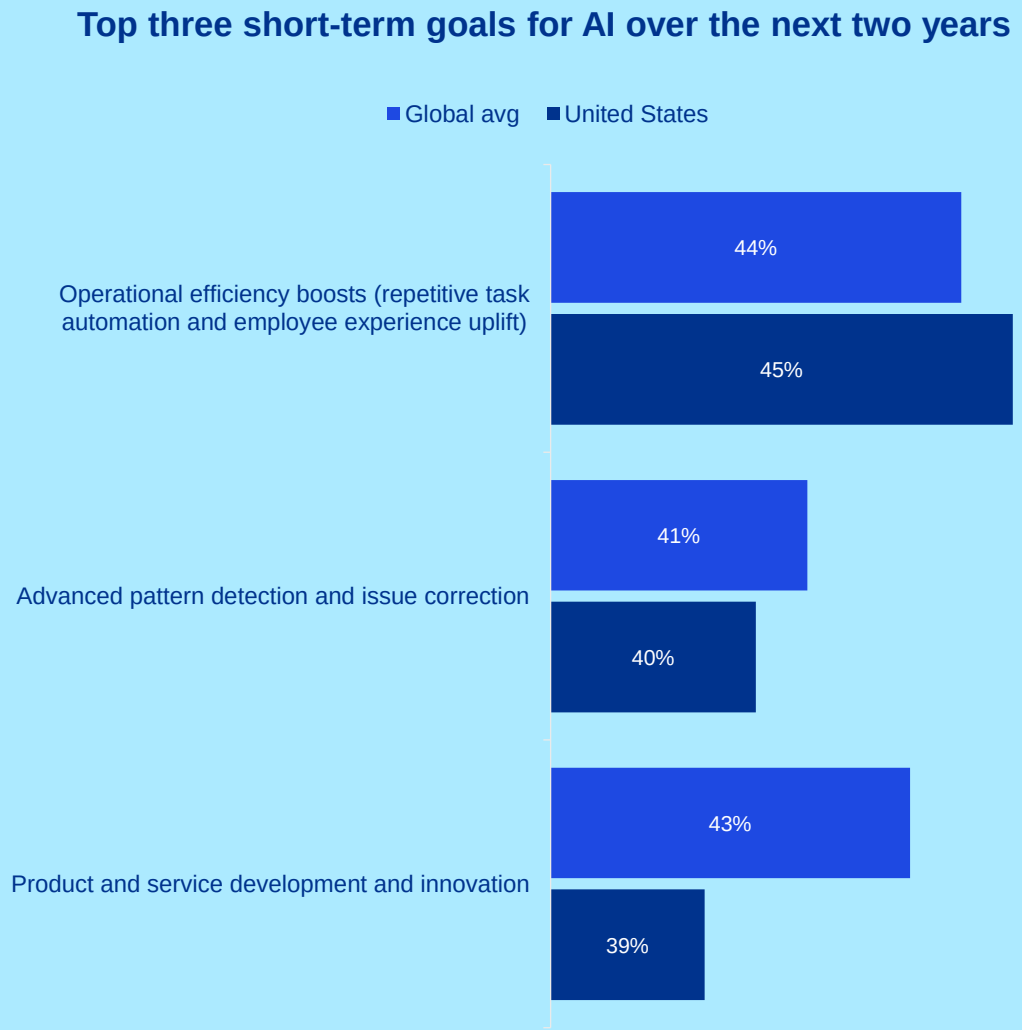
Plan to scale AI considering governance, trust and cybersecurity



Prioritizing operational efficiency is the top short-term AI goal for US businesses

The top three short-term goals for leveraging AI among US organizations focus primarily on operational efficiency, followed by advanced pattern detection and issue correction, and product and service innovation.

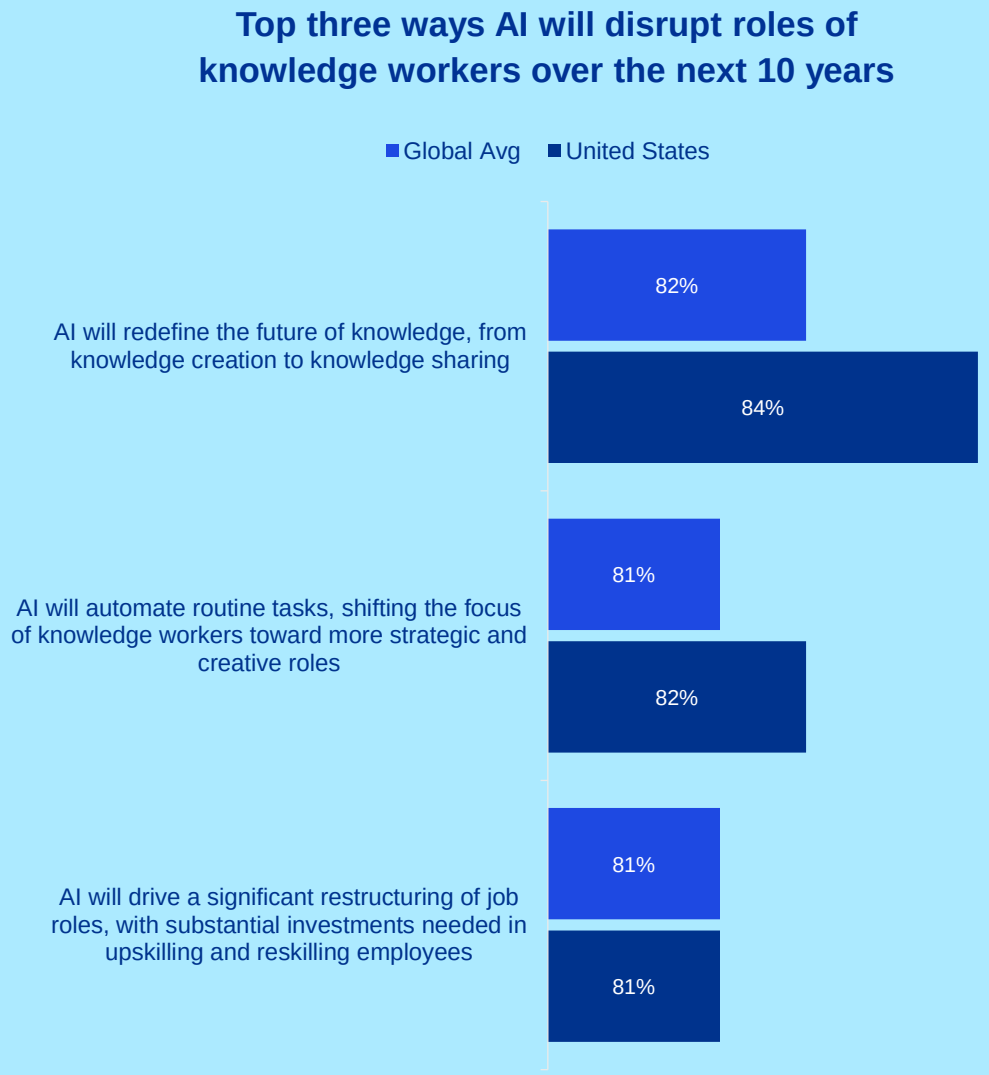
This highlights a **strong emphasis on enhancing efficiency and optimizing processes as immediate AI priorities** in the US market.



US companies expect AI to transform knowledge work by automating tasks and redefining roles

US organizations expect AI to significantly disrupt knowledge work over the next decade, with 84 percent predicting a shift from knowledge creation to knowledge sharing.

Additionally, 82 percent foresee AI automating routine tasks, enabling workers to focus on more strategic and creative roles. This aligns closely with global expectations, highlighting the widespread belief that **AI will drive major changes in job structures, necessitating investments in upskilling and reskilling**.



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