



# Addressing top of mind technology, media, and telecom issues

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# AI/GenAI

Finance departments in technology, media, and telecommunications (TMT) companies are transforming into strategic powerhouses thanks to the integration of innovative artificial intelligence (AI). Businesses are finding great success with AI, with 92 percent reporting that their AI initiatives are meeting or exceeding return on investment expectations. Here's are some examples of how AI is making a positive difference:

- AI-enabled financial forecasting helps TMT leaders predict financial performance, manage risks, and make informed strategic decisions.
- By automating repetitive tasks, AI improves efficiency and accuracy.
- AI tools provide valuable business intelligence for areas like marketing, sales, and investor relations, supporting deeper insights into customer behavior, market trends, and financial data.

These AI advancements can enable your company's finance group to serve as a strategic partner across the organization. Not surprisingly, 80 percent of leaders in the TMT sectors expect a moderate-to-significant increase in generative AI (GenAI) investment over the next three years.

**Beware of potential challenges:** The adoption of AI in finance faces challenges, such as upskilling the workforce, cultural resistance, data quality, and cybersecurity concerns. TMT companies are encouraged to implement AI training programs, secure top-down support, and coordinate with information technology (IT) security leaders.



## Potential actions:

**To overcome AI challenges, the following potential actions are recommended:**

- **Enhance data quality:** Develop a centralized data repository to break down silos and implement a data governance framework. Ensure that your data is clean, consistent, and reliable.
- **Upgrade cybersecurity coordination:** Coordinate with IT security leaders on data risk and implement encryption and access controls. Conduct regular security audits and use comprehensive defense systems to protect against threats.
- **Upskill employees:** Commit to an AI training program tailored to different roles. Create a safe environment for exploration and celebrate employees who successfully integrate AI into their work.
- **Overcome cultural resistance:** Secure top-down support from executives and embed power users in teams to foster a culture of continuous learning and collaboration.



## Thought leadership:

- [Finance's AI Makeover](#)
- [AI in finance: US report](#)

# Tariffs and state of the economy

TMT finance leaders are focused on strategies for navigating higher tariffs and taxes, recognizing them as the new normal. For example, they are utilizing data models and scenario planning to manage the uncertainties surrounding tariffs.

Some strategies involve using quarterly models or working closely with independent merchandising groups to manage vendor relationships and minimize the impact of tariffs. Essentially, TMT finance leaders are working to develop innovative approaches to maintaining operational flexibility while protecting their firms' financial stability amidst ongoing tariff challenges.

**Keep an eye on legislative development:** The legislative agenda, particularly concerning corporate taxes, continues to be a significant concern for TMT finance leaders. With potential revenue-raising measures on the horizon focusing on inbound companies, offshore activities, and certain financial maneuvers, lobbying and advocacy efforts are becoming increasingly pivotal.

Finance leaders are advised to engage proactively with policymakers to influence effective dates and transition rules. Utilizing technology to monitor and strategize around potential legislative changes will be crucial for maintaining competitiveness.



## Potential actions:

Some key considerations for TMT finance leaders are:

- **Tariffs:** Stay informed on latest tariff announcements and updates. Be prepared to adjust pricing strategies to account for the increased costs associated with tariffs.
- **Tax Cuts and Jobs Act (TCJA):** Stay current on the latest developments related to the potential reauthorization of the TCJA. Be prepared to make changes to their tax planning strategies if the TCJA is reauthorized.
- **Scenario planning:** Engage in scenario planning to help them prepare for different possible outcomes. This could include planning for different levels of tariffs or changes to the TCJA.
- **Pricing strategies:** Develop pricing strategies that will allow companies to offset the increased costs associated with tariffs.
- **Advocacy:** Actively participate in advocacy efforts to help shape the policies that will impact their businesses. This could include working with trade associations or lobbying lawmakers.



## Thought leadership:

- [Voice of the CFO: CFOs engage in strategies for tariffs and taxes](#)
- [Economy trips on tariff uncertainty in first quarter](#)
- [Black Swans flock: Recession risks rise](#)

# Regulatory update

The regulatory environment for the TMT sector is set to undergo significant changes under the new administration, which seems to favor "deregulation" and a prioritization of national security. For example, executive orders pausing new rulemaking, withdrawal of proposed regulations, and investigations into areas like public funding and content moderation are clear indications of an evolving regulatory landscape. According to the administration, this approach promotes innovation and competition, while reducing federal regulatory overreach.

Key focus areas include AI, cybersecurity, and data privacy. One executive order directs the development of an "AI Action Plan" and a continued focus on bolstering cyber defenses, especially for critical infrastructure. Data privacy also remains an important issue, with potential re-evaluations of existing rules and regulations.

**Beware of administration scrutiny:** TMT companies must navigate these adjustments carefully, particularly around national security concerns and content moderation practices. For example, the administration is keeping a close eye on tech-related transactions, data handling, and free speech issues on social media platforms.



## Potential actions:

- **Stay informed:** Continuously monitor updates and guidance from regulatory bodies such as the Federal Communications Commission, Federal Trade Commission, and Cybersecurity and Infrastructure Security Agency. Be prepared to quickly adapt to policy shifts and executive orders impacting operational and strategic decision-making.
- **Adapt governance practices:** Update company policies and frameworks to align with new national security measures and AI regulations. Strengthen internal compliance programs to anticipate and respond to potential investigations, particularly around content moderation and data usage.
- **Enhance cybersecurity measures:** Invest in advanced cybersecurity programs and ensure compliance with federal cybersecurity mandates.
- **Review data privacy protocols:** Ensure data handling and privacy practices are in line with evolving federal, state, and global requirements.
- **Engage with policy makers:** Actively participate in industry discussions and consultations to shape and understand emerging regulations.



## Thought leadership:

- [Upcoming Regulatory Signals for Tech, Media & Telecom](#)
- [Where \(De?\)Regulation Goes from Here](#)
- [KPMG Regulatory Insights](#)

# Strategies for private companies

The [KPMG Global Tech Report for Private Enterprises](#) emphasizes the critical importance of overcoming legacy issues and avoiding “short-termism” to achieve maximum potential through strategic technology investments and digital transformation.

Private companies tend to exhibit sharp decision-making skills, particularly with regard to technology investments, outperforming their public counterparts in clarity, consistency, and effective integration of cybersecurity at the early stages of projects. However, private companies tend to encounter more significant challenges due to flaws in their foundational IT systems, which more frequently disrupt workflows as compared to public sector companies.

**Consider upskilling employees:** The report confirms that private companies generate many business benefits by effectively utilizing AI. But it also points out that some employees feel left behind due to rapid technological advances. While private firms are more likely to involve AI “superusers” to manage AI tasks, this can lead to productivity bottlenecks and the potential exclusion of other employees from the AI implementation process. The report suggests investing in broad-based employee upskilling and fostering an AI-first work culture, which tends to ensure a more inclusive and productive technology adoption.



## Potential actions:

- **Adopt long-term technology planning:** Mitigate technology debt by regularly reviewing and updating legacy systems. Conduct holistic infrastructure assessments to align new technologies with long-term business strategies.
- **Promote an AI-first work culture:** Invest in thorough AI training programs for employees; this will help ensure organization-wide AI competence. Encourage cross-functional collaboration around AI initiatives to avoid bottlenecks and enhance overall productivity.
- **Enhance cybersecurity involvement:** Integrate cybersecurity teams into the earliest stages of digital transformation planning and design processes. Regularly update and test cybersecurity measures to align with current and emerging threats.



## Thought leadership:

- [KPMG global tech report: Private enterprise insights](#)
- [Private companies' growth strategies for 2025 and beyond](#)
- [Navigating the 2025 IPO Market: Strategies for Private Companies](#)

# Industry outlook reports and other insights



## [Global Mobility Benchmarking Survey insights for TMT](#)

Learn about the evolving landscape of global mobility in the TMT sector, where we focus on the areas of service delivery, technology investment, and artificial intelligence (AI). Explore how these changes impact TMT firms' goals and challenges, and what they're doing to upgrade technology resources and talent management practices.

## [Handbook: Revenue for software and SaaS](#)

Gain a greater understanding of how revenue standards apply to software licensing and SaaS arrangements. Our in-depth guide, which has been updated for continuing developments in the area, provides detailed Q&As and examples.

## [KPMG Global Tech report](#)

Read about the technology opportunities—and challenges—reported by 2,450 tech professionals worldwide in our KPMG Global Technology report.

## [Global Semiconductor Industry Outlook for 2025](#)

Discover the industry outlook of semiconductor executives for 2025 and beyond. KPMG and the Global Semiconductor Alliance's milestone 20th annual global semiconductor industry survey for the fourth quarter of 2024 captures the insights, outlooks and future plans of 156 industry executives.

## [AI Insights](#)

Get the latest thinking from KPMG on artificial intelligence and machine learning.

## [Board Leadership Center Thought Leadership Series](#)

Explore the insights and strategies of directors focused on today's boardroom challenges and priorities, and the resources of which they avail themselves.

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