



# Voice of the CIO

A recurring conversation with CIOs  
on IT-related issues



March 2025



# CIOs contend with vendor dissatisfaction and tech debt

CIOs face significant challenges with their technology providers and mounting tech debt. Vendor dissatisfaction is on the rise, with CIOs feeling pressured into upgrades and dealing with high fees, poor service, and contract lock-in, not to mention the ever-present nature of cyber incidents. The cloud migration journey has been fraught with instability, leading some CIOs to reconsider their business continuity plans. Meanwhile, the continuous cycle of rip and replace requires CIOs to justify expenditures to their CEOs and boards. Enlightened CIOs

don't want to spend the money if it doesn't lead to growth or measurable cost efficiencies. These two facets have led CIOs to prioritize tech debt reduction and adopt a back-to-basics approach, focusing on fundamentals and rethinking their organizational structures to stay competitive. As CIOs navigate these challenges, they are also becoming catalysts for broader company transformations, emphasizing the need for strategic planning and effective communication within the C-suite.

## On the CIO agenda

### Vendor vent

Issues and angst mount

### Tech debt

Upgrade path paved with tech debt

### Back to basics

From fundamentals to thinking differently



# Vendor vent

## Issues and angst mount

CIOs are less than satisfied with many of their technology providers. CIOs often feel pressured to upgrade and unsure of the value or business imperative. The most cited example is the multiyear cloud journey and being jolted by high fees in one instance or goaded into accepting the tech provider's foray into generative AI (GenAI) functionality.

The biggest contention points relate to incidents, poor service, and contract lock-in issues. CIOs are especially irked by changes and delays in SaaS upgrades with very low measurable ROI.

"It was a hard business case to convince the corporation to upgrade and then turn around and tell leadership we're

switching SaaS providers and to expect a delay," remarked the CIO of a global consumer products company.

Delays or changes in cloud vendors force CIOs to take the long view.

The falling short of a Big Five technology company surprised CIOs. Unstablenss is causing at least one CIO to shop around.

"It's really frustrating," said the CIO of a consumer food company. "Stability is an element of what we're looking for in a major cloud provider, and we just haven't seen it."

A working theory is that major technology companies are releasing new features

and functionality at a dizzying pace that it's caused issues in the environment. The same CIO shared the impact.

"It gives us pause on some of the back-end infrastructure as we start to get deeper into the cloud journey."

With so many companies moving to the cloud, pursuing a multicloud strategy, or on track with an ERP journey, the issues with major cloud providers are alarming. The CIO for a healthcare solutions company discovered the risk of relying on big cloud providers.

"We have our own redundancy, but we're now wholly dependent and beholden to

cloud-based technologies. It's caused us to rethink our business continuity plan in a big way."

Contract issues, from sticker shock to pressure lock-in, trouble CIOs about their third parties.

"It's altered our forward-looking strategy," noted the CIO of a women's apparel company. "All of a sudden, they came back and said, 'no, the number needs to be this,' and there was no additional conversation."

## "I'm being handcuffed into upgrading."

—CIO for a healthcare solutions company

# Tech debt

## Upgrade path paved with tech debt

Tech debt is on the minds of CIOs. It's a continuous process of bringing in new stuff and getting rid of the old stuff. A CIO shared the story of how the company's European operations all want to upgrade to the latest technology and the impact it has on tech debt.

"It's a tech debt journey. Here we are five years down the road with dated platforms, with vendors swearing they're no longer going to support us in our movement to the cloud or only technology advances will be available to cloud customers."

The challenge for CIOs is turning tech debt into value. For an automotive company accustomed to transforming itself with technology, turning debt into value is all about prioritization. The company CIO shares: "We prioritize a portion of our budgets to continuously pay down the debt. It's more of a necessity for our company to stay relevant with customer expectations and their preferences."

Retiring tech debt as a cost of doing business sounds great on paper. In the real world, CIOs must justify upgrades to the CEO and board, while vendors use incentives and penalties to push for

timely decisions.

A multinational fashion holding company CIO put it bluntly.

"I don't want to spend the money or the time because it doesn't drive growth."

That would be the mindset to adopt the next time a vendor promotes their latest features. Your quick reply: How does it help us drive growth or create measurable efficiencies?

The challenge is even greater when the company has been around for over 150 years and technology isn't at the forefront. Meanwhile, upstarts with pure digital platforms appeal to the same

customer base and are nipping at the heels of the legacy company.

"We had to change how we operate and deliver faster," said the company CIO. "From the CEO down, we turned technology into a top three thing we do."

While it's tempting to chase the shiny object, AI, the often bigger task for the CIO is being the catalyst for changing the direction of the company. It's about winning hearts and minds in the C-suite for your strategic plans.

## "Modernization is a journey that never ends."

—CIO for an automotive company

# Back to basics

From fundamentals to thinking differently

The discussion around vendors falling short or being saddled with tech debt made our CIOs wistful for a more back-to-basics approach.

Marcus Murph, KPMG Technology Consulting leader, concurs, noticing a trend in his CIO clients requesting a focus on fundamentals or a more back-to-basics direction.

“Reestablishing consistency in IT processes or evaluating our IT maturity was popular 10–15 years ago. Then everything went to the cloud, and we’re still talking about it.”

A focus on fundamentals could be the result from experiencing poor

service from a major cloud provider or a CIO going through a postmortem on a cybersecurity incident. Either event can cause a CIO to zero in on what really matters—being able to execute. Hyperfocus also leads to thinking differently.

For example, a CIO had the idea to bring a negotiator to the price discussion with a vendor.

“The vendor’s price hikes were getting increasingly larger. We got a resource engaged to help with the negotiation. While I’m not happy with how much I had to pay them, the negotiation went much smoother.”

CIOs should recall that their business is important to the vendor’s business. Sometimes it takes an outside resource to be an advocate for your company, or CIOs need to consider taking their business elsewhere or make a move that diversifies the risk.

Another example of thinking differently involves a 30-year-old company transforming from a traditional brick-and-mortar to a digital-first company.

“Technology is no longer just my responsibility; it’s everyone’s,” remarked the company’s CIO. “It was a big cultural change sharing the accountability. Every quarter, we look at our priorities and the

business outcomes. My mission: Get rid of the IT department that is negatively perceived to be slow, expensive, and never delivers value. We’re creating a technology department focused on KPIs, OKRs, and results. We’ve shifted from a traditional IT mindset to a technology mindset.”

It’s not every day a CIO announces to their peers that they’re shuttering the IT department. It shows how much bigger the CIO job has become and how easy it is to lose sight of what matters.

## “ERP migrations: Generating value or incurring tech debt?”

—Marcus Murph, US Technology Consulting Leader, KPMG LLP

# Key considerations

- Source help with vendor negotiations
- Prioritize tech debt reduction
- Endorse a back-to-basics approach

# Additional resources

[Becoming a CIO of the future](#)

[Improving Cloud ROI](#)

[Accelerating generative AI success by activating change](#)

[Public Policy in Motion: Key Regulatory Changes for Businesses](#)



**Marcus Murph**  
US Technology Consulting Leader  
KPMG LLP  
**T:** 214-840-2671  
**E:** [marcusmurph@kpmg.com](mailto:marcusmurph@kpmg.com)



**John Celi**  
Partner, CIO Advisory  
KPMG LLP  
**T:** 617-945-3630  
**E:** [jceli@kpmg.com](mailto:jceli@kpmg.com)



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:  [kpmg.com](https://kpmg.com)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS027847-2A