KPMG

The trust advantage: Transforming at speed and scale

Turning transformation into ROI opportunities

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Introduction

Organizations are under sustained pressure to transform—faster, more often, and at greater scale—to remain competitive amid economic uncertainty and rapid technological change. Today, transformation is not a one-time program. It encompasses a wide range of shifts, from redesigning service or product delivery models, to digital and cloud overhauls, merger and acquisition integrations, operating model changes, and the introduction of hybrid human/machine workforces enabled by artificial intelligence (AI).

For most organizations, these changes are not happening sequentially or in isolation. It is now typical to have multiple transformation initiatives underway at the same time, often spanning business units, functions, and geographies, and executed through a mix of centralized and decentralized programs. As a result, business change has become continuous and dynamic—blurring the line between "run" and "change."

This reality is fundamentally reshaping the risk landscape. Transformation introduces new and evolving risks across operations, technology, data, workforce, regulation, and reputation. Yet many organizations still manage risk using models designed for discrete, linear projects—treating risk management as a downstream, compliance-focused activity rather than a strategic capability embedded in how change is designed and delivered. When risk is addressed late, organizations face avoidable surprises, value leakage, delayed returns, and erosion of stakeholder trust.

The challenge is compounded by the scale and pace of today's demands to modernize. KPMG US research shows that most enterprises are running multiple significant transformation efforts in parallel, increasing interdependencies and amplifying risk if issues surface too late. In these environments, reactive risk management is no longer sufficient. Organizations need risk management approaches that operate continuously, cut across silos, and keep pace with ongoing change.

This need is becoming even more urgent as AI accelerates transformation. AI-driven initiatives increase both the speed of change and the consequences of failure—raising the stakes for governance, controls, and trust. At the same time, AI is also changing how risk management itself can be executed, enabling more real-time, integrated, and forward-looking approaches.

The imperative, therefore, is not simply to "manage risk better," but to embed risk management into transformation by design—aligned to business strategy, integrated into decision-making, and active throughout the lifecycle of change. When risk management is positioned as an enabler rather than a constraint, organizations can move faster with confidence, make bolder decisions, and accelerate value realization across their transformation portfolios.

What follows explores how this can operate in practice—defining what success looks like when risk management is fully integrated into transformation, and how leading organizations are doing this today.

How can organizations accelerate transformation value by embedding risk measures by design?

Organizations that embed proactive risk management into transformation programs do more than avoid disruption—they accelerate value, improve decision-making, and build trust at speed. When risk considerations are integrated early and continuously—supported by automation, data, and AI-enabled capabilities—risk management becomes a catalyst for successful transformation rather than a downstream control.

The following interconnected strategies illustrate what it looks like to embed risk by design—and how leading organizations are using these approaches today to accelerate outcomes across complex, concurrent transformations.

1 Identify and address risks early—before they become disruptions

A "risk-forward" approach surfaces critical issues early, when they are easiest and least costly to resolve. Rather than reacting to surprises midstream, organizations can design mitigations into the transformation from the start—reducing rework, delays, and last-minute trade-offs.

Spotlight

Avoiding downstream Workday disruption

A client was undergoing a significant Workday transformation, migrating from an older human resources system. However, six to nine months into the project, it became apparent that the integration of the identity system with Workday was not adequately planned, jeopardizing the entire Workday go-live. This oversight created a crisis where the chief information security officer (CISO) urgently needed assistance to prevent major disruption to user access. KPMG was brought in to provide critical intervention, conducting a rapid requirements analysis and designing the necessary integration between Workday and the client's identity tool. This "rescue mission" helped ensure that Workday could go live without breaking the existing processes for user access provisioning. The experience underscored the vital importance of integrating cyber considerations, especially identity and access management, much earlier in large enterprise resource planning transformations. The Workday team and clients subsequently recognized this value, leading to KPMG becoming involved earlier in future projects to proactively address potential downstream issues, thereby avoiding costly late surprises and rework.

2 Drive cost and time efficiencies by designing risk throughout the process

When risk management is embedded from the beginning, organizations can eliminate redundant process controls, focus effort where it matters most, and avoid expensive downstream fixes. Early risk identification reduces overruns, compresses timelines, and improves capital efficiency.

3 Build compliance, security, and quality in by design

Treating compliance and quality as foundational design inputs—rather than postbuild checkpoints—enables "trusted-by-design" outcomes. This approach reduces remediation, improves regulatory readiness, and increases confidence in new systems and processes.

Spotlight

Embedding trust from day one in a financial services transformation

For a financial services firm undergoing a digital transformation to build a new customer origination system, the KPMG solution Blaze proactively embeds risk measures from the ground up. Instead of traditional manual processes, Blaze ingests the client's specific regulatory compliance, development frameworks, and control policies directly into its models. This helps ensure that the generated code inherently adheres to required security and architectural standards, preventing violations and helping ensure compliance from the outset. Blaze's agentic development model allows for real-time security reviews and instantaneous identification of vulnerabilities within the code base. By integrating risk directly into the development flow, Blaze transforms risk management from a reactive, late-stage compliance check into a native, continuous part of the process—avoiding costly rework and accelerating the digital transformation.

4 Enable faster, more confident decision-making

When leaders have clarity on risk appetite, tradeoffs, and contingencies, decision-making accelerates. Teams spend less time second-guessing and more time executing—aligning investments and resources to strategic priorities with confidence.

5 Align transformation choices to value creation and strategy

Risk management is not only about avoiding downside. When aligned to business strategy, it enables organizations to take the right risks—making smarter bets, protecting returns, and ensuring transformation investments deliver intended value.

Spotlight

How predictive risk measures aligned a customer information system transformation to a utility's business goals

When one of the largest investor-owned utilities companies embarked on a complex customer service replatform program to implement a new SAP customer information system, KPMG served as a quality assurance advisor, employing a holistic risk management approach centered on restructured governance, business alignment, and technical solution verification. By focusing on predictive risk management, the KPMG team identified potential issues before they materialized, providing data-driven insights that enabled leadership to make informed decisions. This proactive approach ultimately supported an on-time, on-budget delivery of transformation aligned to its strategic vision of helping customers make cleaner energy choices, achieving operational excellence, and enhancing trust with customers.

6 Strengthen stakeholder confidence and adoption

Visible, proactive risk management builds credibility with boards, regulators, employees, and customers. When stakeholders trust that risks are understood and managed, transformations gain momentum—and adoption follows.

7 Build agility and resilience into ongoing change

In environments where multiple transformations run in parallel, organizations need the ability to adapt quickly. Continuous risk monitoring, scenario planning, and feedback loops enable teams to pivot when assumptions change—keeping transformations on track amid uncertainty.

8 Foster continuous improvement through AI-enabled risk integration

Leading organizations are increasingly using AI and automation to integrate risk directly into workflows—shifting from periodic, after-the-fact reviews to real-time guidance that improves outcomes as work happens. Stakeholders trust that risks are understood and managed, transformations gain momentum—and adoption follows.

Spotlight

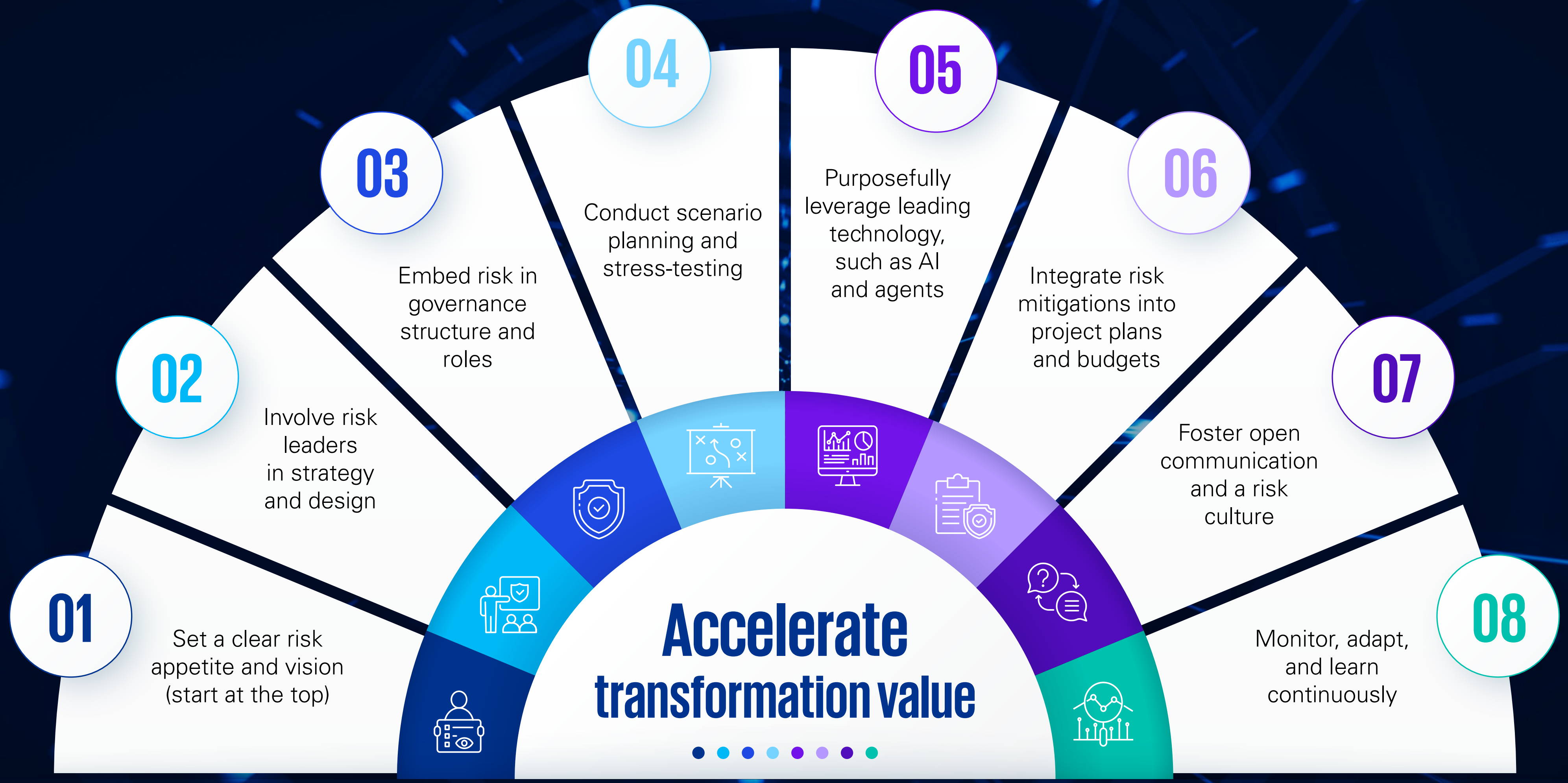
Navigating workforce AI with a value-first, risk-embedded approach

A services firm embarked on a workforce AI transformation aimed at deploying intelligent agents in key functions. Initially, the focus was primarily on efficiency gains. However, by integrating a value-first mindset and a multidimensional decision framework that explicitly included risk and complexity early in their planning, the firm proactively identified potential pitfalls. Rather than treating risk as an afterthought, they embedded it from the outset, considering crucial elements such as cultural risk, employee experience, and data privacy alongside technological implementation. This proactive risk management approach built confidence within the organization to move quickly and helped ensure that security and compliance were foundational components by design. As a result, the firm gained enhanced stakeholder confidence, avoided costly rework, and accelerated the successful adoption and value realization of their AI agents, fostering agility and resilience within the enterprise in the long run. This approach enabled them to deploy AI solutions that were not only efficient but also trusted and sustainable, helping minimize negative impacts on employees and reputation. Their AI agents then fostered agility and resilience within the enterprise in the long run.

Spotlight

How AI-enabled risk management integrated by design can pave transformation success

For a leading customer-centric enterprise platform company, ensuring continuous trust while accelerating product development was a key challenge. Their existing risk process involved manual review of 200 pages of product specifications, a time-consuming and "after-the-fact" approach that created friction and slowed down innovation. To address this, our approach was to develop an AI agent designed to embed risk assessment directly into the development workflow. This agent now performs real-time analysis of product specifications, providing immediate feedback to engineers as they build. This strategic shift transformed risk assessment from a bottleneck to an accelerator, moving it from an "after-the-fact" gate to a proactive, real-time embedded function. The client can now benefit from significantly reduced friction and faster development cycles, helping ensure corporate governance standards are met without sacrificing speed. By measuring success through agent usage and engagement rather than just risks identified, the risk function became a value-adding partner, reinforcing the organization's commitment to trust and competitive velocity. This demonstrates how risk, when designed into transformation via AI, becomes an enabler of speed and trust.


01
Set a clear risk appetite and vision (start at the top)
02
Involve risk leaders in strategy and design
03
Embed risk in governance structure and roles
04
Conduct scenario planning and stress-testing
05
Purposefully leverage leading technology, such as AI and agents
06
Integrate risk mitigations into project plans and budgets
07
Foster open communication and a risk culture
08
Monitor, adapt, and learn continuously
Accelerate transformation value

Key steps that can accelerate transformation value

Here are some steps to get you started.

01 Set a clear risk appetite and vision (start at the top)

At the outset of transformation planning, the leadership team should define the organization's risk appetite in context of the transformation objectives. How much risk (financial, operational, technological, reputational) are you willing to take to achieve the desired change? For example, is the goal to be an early adopter (with higher innovation risk) or a fast follower (lower risk tolerance)? Ensuring alignment on this among the C-suite and board is non-negotiable. Communicate a "risk-informed vision" for the transformation: Emphasize that success includes achieving goals and managing risks within acceptable bounds. This tone-from-the-top empowers teams to flag issues without feeling they are jeopardizing the project. It also helps temper the enthusiasm of change with the wisdom of prudence: Everyone knows the north star is sustainable, trusted transformation, not change at any cost.

02 Involve risk leaders in strategy and design

Bring your chief risk officer (or equivalent) and risk management leads into the core transformation team early. They should have a seat at the table in strategy formulation and design workshops—not as naysayers, but as strategic partners. By involving them, you ensure that risk identification begins alongside ideation, not after the fact. Conduct an initial risk assessment of the transformation plan: What could prevent success? Consider strategic risks (e.g., market assumptions might be wrong), operational risks (process disruptions), technology risks (new systems failure), financial risks (funding shortfalls, return on investment [ROI] risks), and external risks (regulatory, geopolitical). Map these out and discuss mitigation approaches during the design phase. This exercise, essentially a "premortem," forces the team to confront potential challenges early. It's much easier to engineer solutions (or adjust the plan) before you've invested significant resources. For instance, if a critical risk is lack of talent to run new AI systems, then you might build a training program or hiring plan into the roadmap. Establish ownership for major risk areas—assign executive owners for categories of risk so accountability is clear throughout the project.

03 Embed risk in governance structure and roles

Ensure the transformation governance explicitly incorporates risk management activities. This could mean having a Risk Workstream or Risk Committee as part of the program structure or simply making risk discussion a standing agenda item in Steering Committee meetings. Major program decisions should undergo a "risk impact review" before approval. For example, when evaluating a shift in vendor or a change in project scope, consider the risk implications formally. Empower a central risk coordinator or risk officer within the program management office (PMO) to coordinate risk activities across workstreams. This person keeps the risk register, coordinates with all teams on identifying new risks or closing mitigations, and regularly reports to the executive sponsors. Additionally, align second-line functions like compliance, legal, security, and internal audit to support the transformation. Their roles and checkpoints should be defined in the project plan (avoiding last-minute sign-off scrambles). Essentially, bake compliance and risk checkpoints into the project timeline.

Looking ahead, the advent of agentic AI is fundamentally shifting this paradigm, allowing for the dissolution of traditional organizational silos where "agents are agnostic" and operate beyond departmental boundaries. This enables a move from after-the-fact risk assessments, such as lengthy document reviews, to real-time risk feedback and integration directly within the first line of the business. For instance, processes that once involved weeks of manual review can now be automated by agents providing immediate insights, embedding risk directly into the workflow.

04 Conduct scenario planning and stress-testing

As the transformation plan firms up, lead your team through scenario planning exercises. Ask "What if…?" for various adverse scenarios (e.g., What if a key assumption fails? What if an external shock hits mid-transformation?). For each scenario, assess impact and decide on contingency plans or preventative measures. If you're consolidating operations into one megadistribution center, what's the plan if that site is hit by a natural disaster? Perhaps maintaining a secondary site or insurance is needed. Stress-test the plan under these scenarios. Would we still achieve our core objectives? If not, adjust the plan or build in safeguards. This practice, common in risk management, is extremely valuable to big projects but often overlooked in the rush to execute. The executive team should also insist on pilot programs or phased rollouts to test concepts in a controlled way and learn about risks. Treat pilots not just as technology or process tests but explicitly observe what risks emerge and how to handle them. Use those insights to refine the larger rollout.

05 Purposefully leverage leading technology, such as AI and agents

AI and agents can enhance an organization's transformation efforts—enabling efficient processing of large datasets, interconnecting disparate systems, and optimizing project workstreams. Critically, agents can model and monitor potential risks in real time, shifting risk management to the very beginning and throughout the transformation timeline. This agentic development is creating a velocity of change with which no one is comfortable. This necessitates a radical shift, where organizations must "start with a blank piece of paper" for new initiatives, rather than attempting to incrementally transform complex existing processes. Focusing on rapid micro ideations and building solutions from "ground zero" in small, stitchable chunks can be key to success. Companies failing to embrace this agentic-first approach risk an "acceleration gap" as this future is happening now, not in five years, and significantly faster than many anticipate. Dive into these and other AI-enabled risk strategies in our article, AI is revolutionizing risk management.

06 Integrate risk mitigations into project plans and budgets

It's not enough to identify and discuss risks. Mitigation actions must be built into the project plan, with resources assigned. For each major risk, ensure there's a corresponding set of tasks or controls in the plan. For example, if "user adoption" is a risk, the plan might include extra training sessions, change management workshops, and post-go-live support (with budget allocated) to mitigate it. If cybersecurity is a risk in a new cloud system, then include the implementation of specific security tools and penetration testing cycles in the information technology workstream. Essentially, treat risk mitigation like deliverables. This might require earmarking contingency budgets for risk responses (a good rule is setting aside a percentage of the program's budget for unforeseen issues—which you only draw on if needed). By visibly allocating time and money to risk management activities, you signal their importance. It also prevents the scenario where risk actions are identified but never acted on due to "lack of time"—they are already scheduled.

07 Foster open communication and a risk culture

Reporting bad news early is a good thing. Create an environment in which project team members, middle managers, and even front-line staff feel comfortable escalating potential risks or issues without fear. This may involve periodic skip-level meetings or town halls where the chief executive officer/chief risk officer can ask, "What worries you about this transformation?" and reward honesty. When someone raises a concern, respond with analysis and support, not criticism and deflection. Cultivating this culture of transparency is vital to catch brewing risks. Also, communicate proactively with external stakeholders about risk management in the transformation. For example, inform the board regularly of how risks are being managed—this builds their confidence. With regulators (if applicable), discussing your risk controls in advance can ease approvals. If the public or customers are impacted, then showing that you have robust risk mitigation (e.g., "We are upgrading our systems; here's how we are protecting your data during this change.") can enhance trust.

08 Monitor, adapt, and learn continuously

During the execution phase of a transformation, treat the risk management plan as a living process. Monitor key risk indicators (KRIs) alongside your key performance indicators (KPIs). Set up dashboards for both—for example, customer satisfaction is a KPI, while a number of high-severity incidents or control breaches could be a KRI. If a risk indicator trends negatively, then jump on it with the same urgency you would address a slide in sales. Hold regular risk review meetings (monthly or biweekly) where owners update their risk areas, and the team discusses any new risks. Be willing to adapt the transformation plan based on risk feedback. If new information comes to light—a new regulation is announced, or a pilot reveals an integration challenge—then adjust scope, timeline, or resources accordingly. This kind of agility can save a project from failure. It's helpful to establish stage gates with risk criteria, e.g., require that certain risk-mitigation actions be completed before moving from design to build, or from testing to launch. As each milestone approaches, do a risk sign-off and ask, "Are we comfortable proceeding?" Finally, encourage organizational learning. After major phases, or at project completion, conduct postmortems focused on what risk management lessons were learned. Companies that capture these insights (e.g., updating risk checklists or scenario libraries for the next transformation) can continuously improve their change resilience.

Risk as a priority in the age of AI

AI and agentic AI implementations are priority transformation projects for most businesses. Although offering the promise of increased productivity, innovation, and cost savings, AI is not without its own risks.

AI deployments that are not properly governed and controlled can hinder returns on AI investments, lead to regulatory compliance violations, result in data and intellectual property loss, or damage the organization's reputation. According to US findings in a recent KPMG global study, 55 percent reported experiencing inaccurate outcomes due to AI, and 75 percent are concerned about the negative outcomes of AI.[1] In addition, concerns about cyber and employee AI misuse have risen to 44 percent from 32 percent quarter over quarter,[2] reinforcing it as a top societal challenge, and at least 80 percent cited risk concerns such as cybersecurity, privacy, and data quality as the greatest barrier to successfully meeting the goals of their GenAI strategy.[3]

To ensure AI can achieve these goals and unlock its transformative benefits, risk management measures need to be a core component of the project plan from the start, including AI governance (model, system, and agents), data and privacy safeguards, and operational scenario planning tailored for AI deployments. This can engender stakeholder confidence that can accelerate innovation, AI adoption, and ROI.

[1] "Trust, attitudes and use of Artificial Intelligence," KPMG, 2025.
[2] "KPMG Quarterly Pulse Survey, Q1 2026," KPMG, 2026.
[3] "KPMG Quarterly Pulse Survey, Q4 2025," KPMG, 2025.

Conclusion

The imperative for organizations to embed proactive risk management into every phase of their transformation journey has never been clearer. As the pace of change accelerates, companies that treat risk as a strategic enabler, rather than a compliance afterthought, are best positioned to unlock sustainable value and build lasting stakeholder trust. Organizations that integrate risk management from the outset not only avoid costly surprises and value leakage but also foster agility, resilience, and a culture of continuous improvement.

The shift from reactive to proactive risk management requires more than new processes; it demands a fundamental change in mindset and organizational culture. Leadership alignment is essential, with business and risk leaders working together to define risk appetite, set clear strategic goals, and ensure that risk considerations are embedded in governance, technology, and data practices. Scenario planning, stress-testing, and open communication must become routine, empowering teams to anticipate challenges, adapt quickly, and learn from each phase of the transformation.

In this agentic era, the traditional risk function is evolving significantly, moving away from siloed departments to embedded, agent-driven monitoring within the first line of business.

Leadership alignment remains essential, but it now must also include a clear vision for how AI agents will transform risk identification, assessment, and mitigation in real time.

Ultimately, the shift from reactive to proactive risk management requires more than new processes; it demands a fundamental change in mindset and organizational culture. Rather than being a constraint, it can enable organizations to move boldly, seize new opportunities, and deliver on the promise of transformation. By integrating risk management as a non-negotiable element of their operating models, leaders can ensure that their transformation efforts are not only successful but also resilient, trusted, and move at speed and scale that creates competitive advantage.

How KPMG can help you transform with speed, direction, and trust

The key to staying competitive is not just moving fast—it's moving forward with confidence. At KPMG, we believe that embedding risk management directly into the fabric of transformation is essential for accelerating growth, driving innovation, and building lasting value.

Our approach combines the power of KPMG Velocity—our approach to transformation in an AI world—with the market-leading risk and resilience capabilities of our KPMG Advisory team.

We offer:

A strategic vision for change. We help you define a clear and ambitious transformation journey, aligning your business strategy with a practical roadmap for execution that builds in security, resilience, and trust from day one.

AI-powered execution. Through KPMG Velocity, we leverage AI, advanced data analytics, and innovative technology to accelerate each phase of your transformation, from enhancing operations and enhancing customer experiences to modernizing your finance function.

Cross-functional capabilities. We provide a holistic approach that brings together our deep experience across enterprise risk, financial and operational resilience, cybersecurity, regulatory compliance, data, and AI so that risk management becomes a strategic enabler, not a constraint.

Unwavering commitment to governance. Our focus on compliance, robust governance, and the ethical use of AI helps your organization innovate with confidence and maintain the integrity of your operations and brand.

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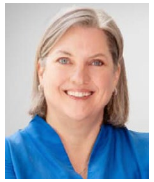

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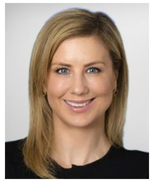

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