KPMG

Winners don't wait: Transforming with confidence and clarity in volatile times

Organizations that act decisively outperform peers by persevering through uncertainty. Here's how to embrace the change agenda, lead with purpose, and sustain momentum.

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Introduction

Market volatility is accelerating.[1] Businesses face mounting uncertainty from shifting trade policies, geopolitical tensions, and economic instability. The promises and perils of artificial intelligence (AI) are creating mass disruption across industries while business resources are constrained. In this perfect storm of uncertainty, a dangerous gap is widening between organizations that act decisively and those that hesitate—a gap we call the transformation divide.

On one side of this divide are organizations that treat volatility as an opportunity, pulling ahead in a targeted direction. On the other side are those that slow down, often assuming their competitors are also pausing. Our research into the performance of over 1,800 public companies and our survey of 400 C-suite executives reveals making this assumption is a critical error, but the true cost is even higher.

Our analysis of company performance during the COVID-19 pandemic, suggests that this divide has profound financial consequences: Proactive companies achieved more than four times the shareholder returns of their passive peers.

This paper is intended to help leaders ensure they are on the winning side of this divide. First, we explore the thinking behind transformation by identifying four distinct organizational mindsets that shape how leaders respond to uncertainty—and their outsized impact on company growth and performance. Next, we diagnose the universal obstacle that stalls progress for organizations of every mindset: the execution gap. Closing this gap requires more than a single solution. Leading organizations succeed by orchestrating a set of interconnected actions: taking a portfolio view of change, focusing on business value with clear governance and adaptability, leveraging AI to accelerate and scale delivery, running programs in parallel to realize results faster, and fostering a culture of reinvention. This paper provides a clear, actionable framework built on these principles and is designed to help leaders turn transformation ambition into tangible, sustainable value, even in the most volatile times.

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[1] The CBOE Volatility Index (VIX) increased 22% in 2025 compared to 2024, from 15.55 to 18.93.

Defining the transformation divide

In uncertain times, the greatest risk isn't in moving too quickly—it's assuming everyone else is moving slowly. Staying alert to market shifts and acting decisively are crucial to overcoming that false assumption.

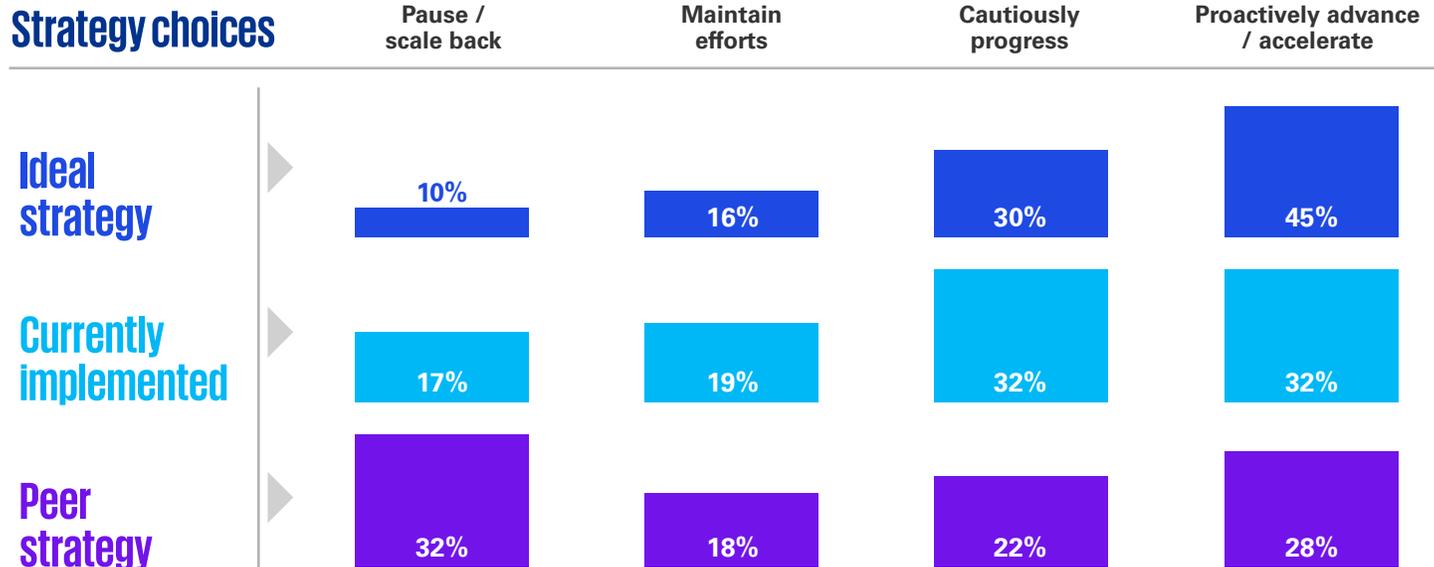## The misperception that could cost you value

Many leaders assume competitors are slowing down during volatile times. They're wrong. Acting on this false assumption can lead to missed opportunities—and leave your organization behind. This isn't just a perception problem— it's a performance problem. Our survey shows that although only 17 percent of executives report pausing or scaling back their transformation efforts, most (65 percent) are accelerating change.

Perception gaps: Ideal strategy versus peer strategy versus reality
Strategy for handling change during volatility

Reality check:	False assumption:	Risk:
65% Are advancing transformation— not pausing	**1 in 3** Executives believe peers are slowing down	Misreading the market can stall your own progress

Strategy choices	Pause / scale back	Maintain efforts	Cautiously progress	Proactively advance / accelerate
Ideal strategy	10%	16%	30%	45%
Currently implemented	17%	19%	32%	32%
Peer strategy	32%	18%	22%	28%

Survey questions: What do you think is the best strategy for handling change during periods of volatility? How is your organization adjusting its transformation plan amid uncertainty? How are your peers handling their transformation efforts during this period of volatility?

The option "Other" is not included due to very few responses; "Scale back," "Short-term paus," and "Delay projects" are combined into a unified category—"Pause/Scale Back"; "Proactively advance" and "Accelerate transformation" are combined into a unified category —"Proactively advance Accelerate.'"

Sum of percentages may not add up to 100 due to rounding. Source: Unsticking Transformation Survey, Jun'25, N=400.

The financial upside of acting fast

This misperception is more than an interesting data point—it has profound financial consequences. To understand the tangible cost of assuming others are standing still, our analysis of company performance during the COVID-19 pandemic offers a compelling lesson.
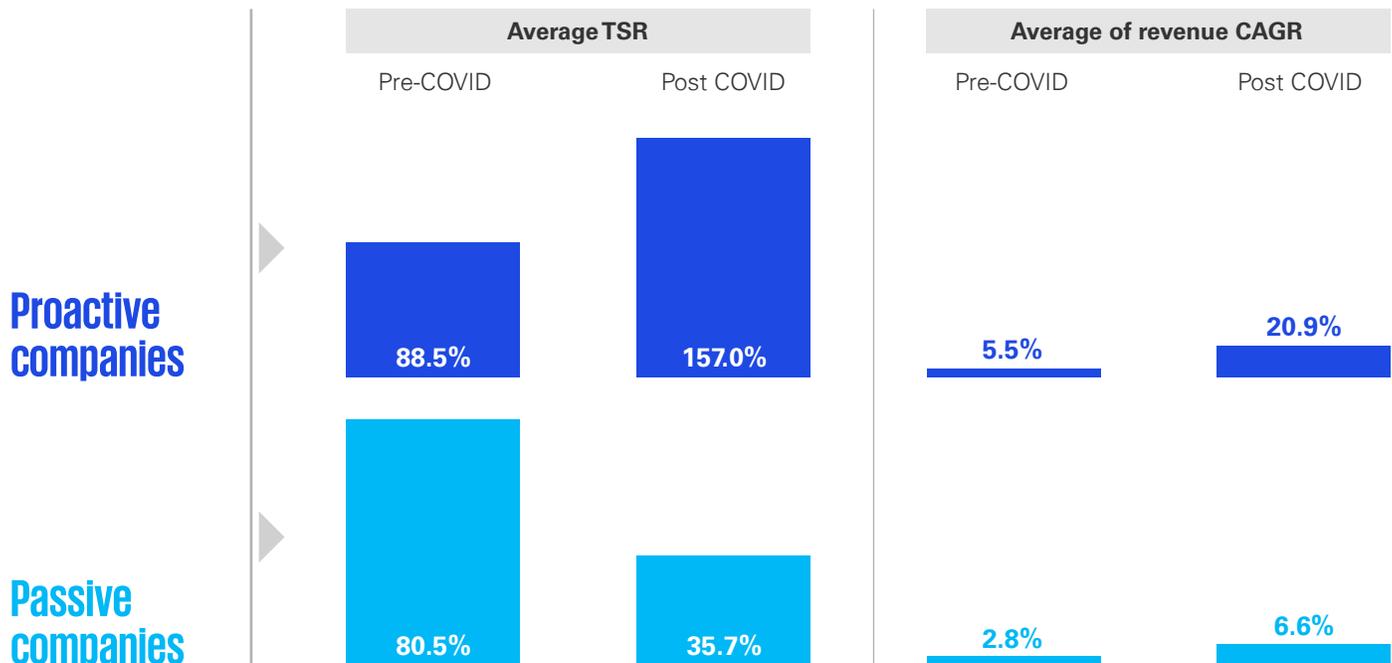
Our analysis began with an extensive dataset of over 1,800 US public companies, focusing on their financial performance before and after COVID-19. From this initial group, we shortlisted 173 companies for a detailed examination, analyzing their earnings call transcripts, and financial and operational results. The analysis is compelling. Companies that made faster transformation decisions during peak pandemic uncertainty dramatically outperformed those that hesitated.

Proactive companies achieved 4.4 times higher total shareholder returns and saw triple the revenue compound annual growth rate (CAGR) compared to more passive organizations—a trend observed across sectors . These companies often recognize that periods of maximum uncertainty can create maximum opportunity for competitive differentiation. Cautious companies preserve the status quo; aggressive ones work to reshape it.

Proactive companies outperformed peers following the pandemic

Total shareholder returns:		Revenue growth:	
Proactive companies achieved 157 percent returns post-COVID-19 versus 35.7 percent for passive companies.	**4.4x** difference	Proactive companies saw revenue CAGR of 20.9 percent post-COVID-19 versus 6.6 percent for passive companies.	**3X** the growth

	Average TSR		Average of revenue CAGR	
	Pre-COVID	Post COVID	Pre-COVID	Post COVID
Proactive companies	88.5%	157.0%	5.5%	20.9%
Passive companies	80.5%	35.7%	2.8%	6.6%

Note(s): Notes: The data is based on total 173 US public companies across sectors; pre-COVID period (2016 to 2020) and post-COVID period– (2020 to 2024); TSR stands for Total Shareholder Return.
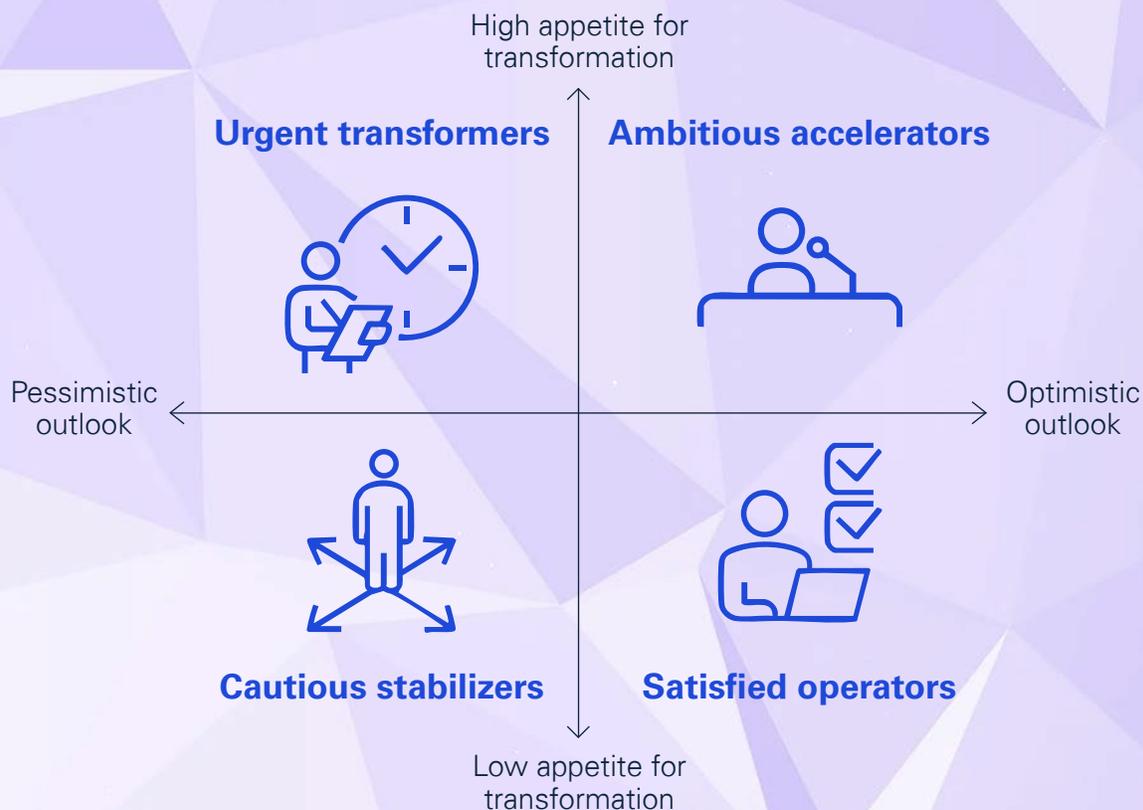Source(s): Capital IQ, accessed in Jun'25.

Four transformation mindsets— and how winners approached change differently

Acting fast matters—but how you act matters even more. Our research shows that organizations that outperformed during volatility didn't just accelerate—they transformed with a different playbook.

To better understand these differences, we segmented respondents by two factors: their outlook for their own business performance and their appetite for transformation in the current market environment. We then drilled down into the top drivers behind those attitudes to find clear differences. Each mindset explains why a company chooses to act—or why it remains paralyzed—in the face of turbulence.

The transformation spectrum: From hesitation to acceleration

High appetite for transformation

Urgent transformers   **Ambitious accelerators**

Pessimistic outlook   Optimistic outlook

Cautious stabilizers   **Satisfied operators**

Low appetite for transformation

The four transformation archetypes

Definitions follow the above matrix clockwise, starting at high appetite × optimistic outlook.

Ambitious accelerators
High appetite and optimistic outlook

Confident changemakers with strong foundations, ambitious accelerators are ready to use their strengths to drive momentum instead of simply reacting to pressure. They see transformation as an opportunity and embrace it to keep moving forward.

Outlook drivers
- Strong leadership and clarity
- Cost and margin improvements
- Strong market demand

Transformation drivers
- Leadership alignment
- Competitive pressure
- Tech foundation & AI readiness

48%

Satisfied operators
Low appetite and optimistic outlook

Satisfied operators are comfortable with the status quo. Confidence—perhaps overconfidence—in their current position reduces their drive for transformation. They feel positive about their results and remain focused on steady-state operations rather than major change.

Outlook drivers
- Competitive differentiation
- Ecosystem support
- High employee engagement

Transformation drivers
- Budget constraints (limiting)
- Risk aversion (limiting)
- Prioritizing short-term gains (limiting)

10%

Cautious stabilizers
Low appetite and pessimistic outlook

Cautious stabilizers are the most pessimistic group. They are worried about sustaining demand but paralyzed into inaction. They prioritize quick wins over bold investments, remain wary of the future, and focus on risk mitigation rather than large-scale change.

Outlook drivers
- Cost pressures
- Macro volatility
- Shifting demand

Transformation drivers
- Risk aversion (limiting)
- Budget constraints (limiting)
- Focus on short-term results (limiting)

28%

Urgent transformers
High appetite and pessimistic outlook

Urgent transformers feel a pressing need to act in response to anticipated challenges ahead. They view transformation as necessary for survival, often bolstered by strong ROI from past efforts.

Outlook drivers
- Cost pressures
- Geopolitical and macro volatility
- Regulatory uncertainty

Transformation drivers
- Competitive pressure
- Market pressure
- ROI from past efforts

14%

What sets winners apart

All organizations are facing the same macroeconomic headwinds, technological disruptions, and market uncertainties. Yet, our survey, supported by external analysis, reveals that their responses—and expectations—differ dramatically.

Ambitious accelerators stand out for their distinctive operating choices in transformation. In our survey, 27 percent of ambitious accelerators reported accelerating transformation through decisive leadership and rapid action, while 24 percent of cautious stabilizers became more risk-averse and centralized. While confident action accelerates progress, the absence of it can derail efforts: the top two reasons for failed transformations are lack of leadership buy-in and unclear strategic vision.[2]

Accelerators also leverage external relationships more aggressively, with 46 percent reporting the use of partners to scale proven initiatives, compared to 37 percent of cautious stabilizers.[3] The partnership approach is most often used to access technology that can't be homegrown; tech partners make up 80 percent of partner ecosystems, according to a KPMG LLP study.[4] More

than half of organizations surveyed, 54 percent, identify digital transformation as the primary driver of partnership expansion.[5]

Looking ahead, nearly half of ambitious accelerators and urgent transformers plan to accelerate transformation timelines as market conditions improve, while 28 percent of cautious stabilizers expect to pause or delay initiatives.

Together, these operating choices—decisive leadership, partner-enabled scaling, and a bias for acceleration—demonstrate that winners don't just act faster; they act differently, in ways that are validated by independent research as drivers of transformation success. These differences highlight a critical truth: mindset not only shapes perception, but also execution strategy—and that strategy drives results. But mindset alone isn't enough. Our research shows that execution quality—not optimism—ultimately determines outcomes. The real question isn't which quadrant you occupy today, but whether you can deliberately change your ways of thinking, working, and building to conquer the challenge that stops most transformations cold—the execution gap.

27% of ambitious accelerators speed up their transformation with decisive leadership and quick action.

46% of ambitious accelerators use partners to expand their successful initiatives; 80% of these partners are in the technology sector.

[2] KPMG, "The new transformation agenda," 2023.
[3] "Accelerate growth and innovation with the right partner ecosystem," 2025.
[4] Ibid.
[5] KPMG, "Widening the aperture: How partner ecosystems are changing," 2025.

From vision to value: The execution imperative

Despite widespread transformation efforts, a staggering 60 percent of executives admit their companies have strong ideas but struggle to execute them effectively

Three-fifths of organizations acknowledge difficulty with executing transformations

60%	17%	17%	4%	3%
We have strong ideas and capabilities, but struggle to execute effectively	We face challenges in both initiating and executing transformation	We are not currently experiencing major challenges	We lack the right ideas, skills, or capabilities to initiate transformation	Other

Survey question: What is the primary challenge your organization faces in driving transformation right now? Note(s): (a) Sum of percentages may not add up to 100 due to rounding off. Source(s): Unsticking Transformation Survey, Jun'25.

Why do three-fifths struggle? Value leaks when accountability is diffused, portfolios are fragmented, and outcomes aren't managed in real time. The difficulty moving from strong ideas to effective execution is borne out by our survey results, which identified challenges in three areas:

Roadmap focus: When faced with uncertainty, 39 percent of organizations reprioritized initiatives to focus on areas with clearer ROI or lower risk, and 24 percent condensed their roadmap to a smaller set of critical initiatives. Only 15 percent expanded their scope or timeline, and just 1 percent shelved their roadmap entirely. This suggests that most organizations are narrowing their focus rather than managing a balanced, ongoing portfolio of transformation efforts.

Implication: Absent a unified portfolio and regular rebalancing, decision-making slows, dependencies are hidden, and value is lost.

Funding practices: Fifty-four percent of organizations fund transformation through a mix of investment capital and operating budgets. Progress depends on sharper prioritization and internal trade-offs, not broad budget increases.

This implies that funding is typically directed to select initiatives rather than managed holistically.

Implication: Funding tied to measurable outcomes—supported by radical accountability and a transformation value office—enables transparent stop/go decisions and dynamic reallocation, moving beyond simple trade-offs.

Short-term priorities: In volatile times, organizations tend to prioritize cost efficiency, data-driven insights, and digital acceleration over broader growth or expansion. This focus on immediate impact can crowd out longer-term capability building.

Implication: When short-term priorities dominate, linking quick wins to customer value and leveraging AI to compress cycle times can turn isolated actions into enterprise-level outcomes.

Bottom line: Execution leaks when ownership, portfolio orchestration, and outcome measurement are weak, which is exactly what the action plan below and radical accountability are designed to fix.

The tangible costs of inaction

The consequences of failing to close the execution gap are substantial, and include:

Inconsistent ROI:

Many organizations achieve positive returns on select initiatives but struggle to replicate success across their transformation portfolio. This leads to unpredictable financial outcomes and undermines confidence in future investments.

Financial constraints:

Limited or flat budgets force difficult trade-offs. As a result, organizations often delay capital expenditures or tighten business cases so severely that only the most critical—and often least innovative—initiatives move forward.

Lost momentum:

Initial wins may not scale, and transformation efforts can lose focus as priorities shift or resources are reallocated. This creates organizational fatigue and erodes support for future change.

Missed opportunities:

When transformation is fragmented or reactive, organizations risk falling behind competitors who are able to sustain momentum and capitalize on periods of volatility.

Ultimately, the cost of inaction is not just measured in financial terms, but in lost potential, diminished resilience, and reduced ability to adapt to future disruption. Closing the execution gap is essential for organizations seeking to unlock sustainable value and remain competitive in a rapidly changing environment.

Preparing for whatever comes next

As market conditions improve, most organizations plan to speed up transformation, increase budgets—especially for technology and talent—and launch or restart initiatives.
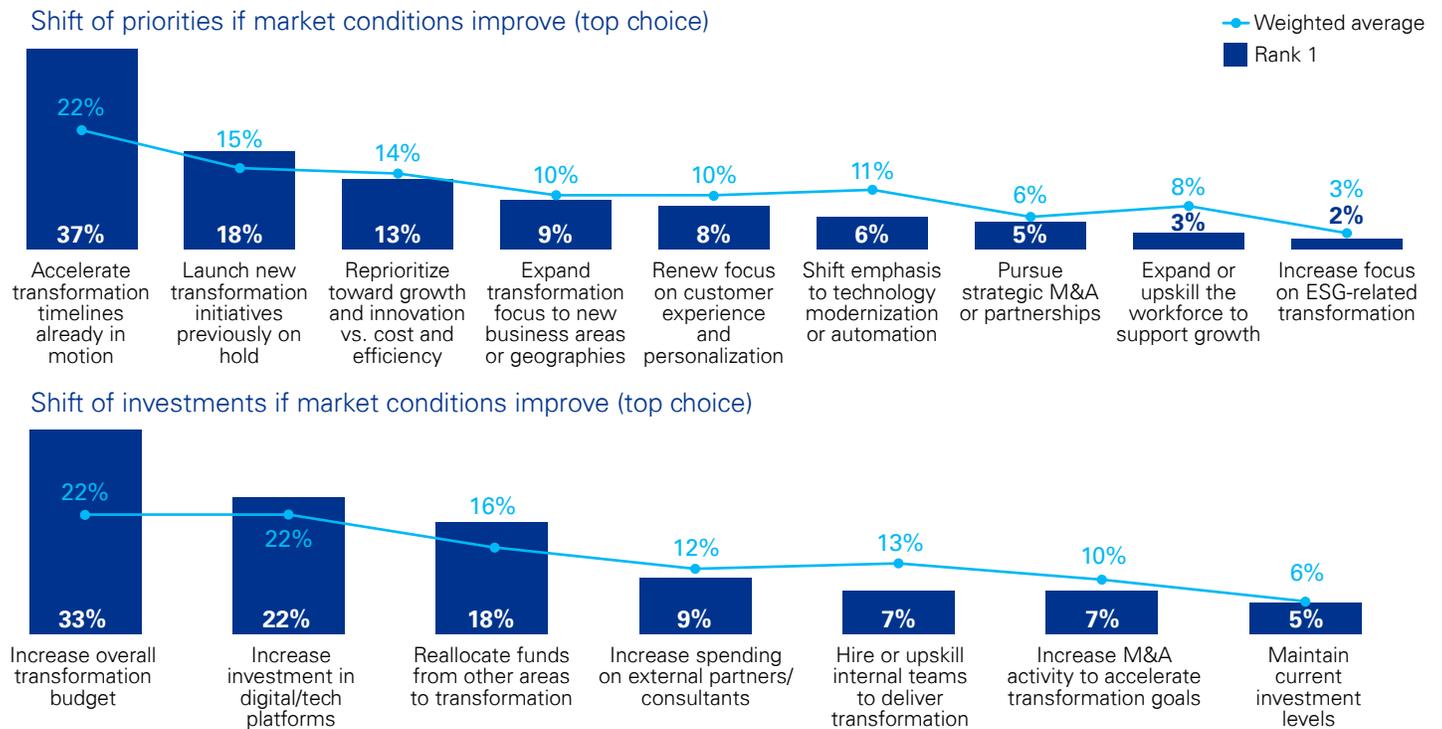
Nearly half (46 percent) of ambitious accelerators and 42 percent of urgent transformers say their number-one priority will be to accelerate transformation timelines that are already in motion, compared to 37 percent of all organizations. They're building capability now to move fast later.

Executives also indicated they plan to restart efforts they placed on hold, and to reprioritize growth and innovation over cost-cutting and efficiency. One-third plan to add to their transformation budget, and more than one in five seek to increase investment in digital platforms. Others are looking to reallocate funding back to transformation.

In the meantime, most organizations are keeping transformation initiatives warm in the piloting (25 percent) or scaling (39 percent) stages. Motivated players are building partner ecosystems, buying proven solutions, and cocreating capabilities[6] while more reticent groups are insourcing or simply waiting it out.

Top transformation priorities and investments if market conditions improve

Shift of priorities if market conditions improve (top choice)

Legend: —●— Weighted average; ■ Rank 1

Category	Weighted average	Rank 1
Accelerate transformation timelines already in motion	22%	37%
Launch new transformation initiatives previously on hold	15%	18%
Reprioritize toward growth and innovation vs. cost and efficiency	14%	13%
Expand transformation focus to new business areas or geographies	10%	9%
Renew focus on customer experience and personalization	10%	8%
Shift emphasis to technology modernization or automation	11%	6%
Pursue strategic M&A or partnerships	6%	5%
Expand or upskill the workforce to support growth	8%	3%
Increase focus on ESG-related transformation	3%	2%

Shift of investments if market conditions improve (top choice)

Category	Weighted average	Rank 1
Increase overall transformation budget	22%	33%
Increase investment in digital/tech platforms	22%	22%
Reallocate funds from other areas to transformation	16%	18%
Increase spending on external partners/consultants	12%	9%
Hire or upskill internal teams to deliver transformation	13%	7%
Increase M&A activity to accelerate transformation goals	10%	7%
Maintain current investment levels	6%	5%

Note(s): (a) The option "Other" is not included due to very low response rates; Questions: If market conditions were to improve significantly in the next 6-12 months, how would your organization's transformation priorities shift?; If market conditions were to improve significantly in the next 6-12 months, how would your organization's transformation-related investments likely change?
Source(s): Unsticking Transformation Survey, Jun'25, N=400.

[6] KPMG, "Accelerate growth and innovation with partner ecosystems," 2025.

Stability and transformation are not binary choices

Organizations can make the mistake of treating volatility response and transformation as competing priorities. In fact, these are complementary actions.

Today's top "no-regret" actions by companies to manage through market volatility serve dual purposes. Streamlining operations creates efficiency and funds transformation. Strengthening data and analytics improves decision-making and enables digital transformation. And AI and automation investments address immediate productivity needs while building future capability.

Notably, as companies look at volatility in the three to six months ahead, today's top priority of operational cost-cutting drops from 60 percent to just 26 percent. This represents the strategic evolution of transformation as

companies redirect energy and resources toward building capabilities. Talent development jumps from 34 percent to 40 percent, and revenue diversification rises from 24 percent to 39 percent.

Smart organizations don't choose between surviving today and thriving tomorrow. They take a purpose-built approach to sustainable transformation through continuous innovation—dynamically balancing optimization, competition, and disruption in what's known as "systemic innovation."

They take a purpose-built approach to sustainable transformation by embracing systemic innovation, dynamically balancing optimization, competition, and disruption.

"No-regret" actions organizations are taking or planning to take in the next three to six months due to market volatility

Legend: Now (dark blue), Next 3-6 months (light blue)

Action	Now	Next 3-6 months
Streamlining operations to drive efficiency	60%	26%
Investing in AI, automation, or digital enablers	48%	38%
Strengthening data, analytics, and decision-making	49%	33%
Enhancing customer experience and retention	42%	33%
Upskilling and reskilling critical talent	34%	40%
Improving risk management and business resilience	48%	26%
Building more agile or adaptive operating models	48%	26%
Reallocating resources to top strategic priorities	42%	27%
Diversifying revenue streams or business models	24%	39%
Pulling back on hiring / reduction in workforce	28%	26%

Note(s): (a) Sum of percentages may not add up to 100 as it is a multi select question; (b) The option "Not planning any moves" and "Others" is not included due to low response rate; (c) What "no-regret" actions is your organization taking due to market volatility?; What "no-regret" actions is your organization planning in the next 3-6 months due to market volatility?
Source(s): Unsticking Transformation Survey, Jun'25, N=400

An action plan for transformation

Organizations that excel in volatile times operate on the leading edge of the transformation divide: they recognize opportunity amid uncertainty, act decisively with clear direction, and turn ideas into measurable impact. This action plan shows how to move rapidly from vision to value—without waiting for ideal conditions.

The transformation framework that follows—centered on value, orchestration, technology, and culture—is proven and adaptable, designed for today's environment so leaders can confidently translate ideas into results.

We underpin this plan with radical accountability—clear ownership, transparent metrics, and a 90-day operating rhythm that keeps every decision anchored to customer value.

Four pillars of effective transformation

01
Center on business value

02
Take a portfolio (not program) approach

03
Accelerate and scale delivery with emerging technology

04
Foster a culture of deliberate and continuous innovation that supports transformation

Source: KPMG analysis

Center on business value, with a focus on the customer and radical accountability

Why it matters

A primary reason that transformations fall short is a failure to align vision with action and accountability.[7] The execution gap, experienced by a majority of organizations we surveyed, is fundamentally an accountability gap. Closing it starts by anchoring every transformation initiative to customer value, from updated payment processes to supply chain optimization. Customer values should serve as the core tenets in every transformation agenda.

If transformation isn't creating meaningful gains for the customer in terms of time, money, or opportunity, it's a superficial change without payoff.

This point of view helps organizations prioritize—or let go of—projects based on their potential to create business value. This same exercise improves the customer experience, its own value driver. Companies that invest in customer-centric capabilities such as seamless interactions and responsive operations are twice as likely to succeed in their digital transformation efforts.[8]

Radical accountability for creating business value, the second requirement to close the gap, involves more than assigning ownership. Performance reviews, compensation, promotion decisions, and all other business model elements should tie to clear customer-facing metrics, including satisfaction and revenue growth, that are defined, tracked, and shared widely. Success is then measured by delivering on the end goal rather than simply performing activities and completing tasks. Finally, goals should be measured and updated on a quarterly or other regular basis.

What to do

- Anchor to customer value. Before funding an initiative, ask: How does this create tangible value for customers? Consider an advisory council including the customer personas targeted in the transformation, project leaders, and employees in customer-facing roles. Incorporate feedback to ensure transformation objectives align with customer needs. Connect funding decisions and project checkpoints to specific customer benefits.

- Assign a single, named owner for every major initiative, accountable for results—not just activities. The owner should understand the additional leadership roles needed for the initiatives and identify the right, trusted people to fill them. Publish owners and outcomes to increase transparency.

- Understand that if the goal of transformation is to deliver value, then data—not departments—call the shots. Many transformation programs now include a "transformation value office" that gathers and keeps the data to confirm if efforts are truly creating customer, financial, and other value. Technology and business don't have to fight for control over transformation decisions, the decisions are made for them.

- Measure what matters (see Quick reference guide, "The new currencies of value," page 15). Complement traditional financial KPIs with leading, execution-relevant objectives and key results around customer, speed, capability, and resilience.

- Empower governance to act. Give the governing body clear authority to reprioritize, reallocate, or stop work that is not delivering the intended customer value.

- Run a 90-day sprint to make accountability real (see sidebar, page 20).

A healthcare company institutes transformation accountability at scale

Challenge

A Fortune 50 health solutions company with three major business lines, a global workforce of 25,000, and a diverse customer base faced major challenges: siloed operations, inconsistent service, and outdated technology. Customer and employee experiences felt fragmented, and lacked a unified brand. After three failed top-down transformations, the company needed a fundamentally different, bottom-up approach.

Approach

To orchestrate and govern with radical accountability across 40-plus concurrent initiatives, the company established the Enterprise Service Alliance (ESA). The ESA brought business and technology leaders together from across the enterprise, forcing collaboration and creating unified teams with shared goals. KPMG filled expertise gaps in workforce management, quality assurance, AI, and other areas. The team assessed where AI could deliver the greatest business value and defined the future-state employee and member experience.

ESA prioritized technology modernization, including migration to a modern Contact Center-as-a-Service platform and a new CRM system to create a unified agent desktop. This made resolving member inquiries easier. The effort rationalized more than 400 tools, standardized processes and metrics, rolled out AI across voice and chat, and deployed a GenAI-powered knowledge solution for instant, accurate agent support.

ESA also implemented a three-tier governance model (screen, prioritize, approve) to assign clear ownership and decision-making across business units. Discovery workshops inventoried the current state and then evaluated initiatives for desirability, viability, and feasibility to ensure business and customer value. A phased rollout enabled leaders to rebalance the portfolio continuously, while a change management program with stakeholder roadshows and monthly updates kept people at the center.

Outcome

Projected results across new currencies of value:

- Customer currency: Customer satisfaction up 5 percent to 10 percent, and net promoter score up 10 percent to 20 percent.

- Financial currency: Operational costs down 20 percent to 30 percent; $200 million in savings over five years.

- Capability currency: First-contact resolution of customer inquiries up 20 percent to 30 percent; employee satisfaction up 5 percent to 10 percent, and agent attrition down 10 percent to 15 percent.

Additional results

- Rationalized portfolio: Identified more than 100 standardization opportunities and nine high-impact initiatives for enterprise-wide prioritization.

- Accelerated delivery of new technology. Clear business cases and alignment secured funding and fast-tracked critical platforms. Governance evolved into a formal transformation management office to oversee value tracking, operating model design, and ongoing change management.

Lessons learned

- Make decisions with data and design around human needs. Standardized key performance indicators (KPIs) and stakeholder profiles enable measurement and accountability.

- Treat transformation as an interconnected portfolio. A holistic, phased approach mitigates risk and directs resources to high-value work.

- Align technology to clear business needs and governance. Defined requirements and strong governance remove roadblocks, enabling modern, AI-powered platforms that improve customer and employee experience.

Remember: Transformation is a human endeavor. Executive sponsorship drives alignment, and success depends on integrating people, process, and technology. A culture of cross-functional collaboration builds resilience and adaptability.

Quick reference: The new currencies of value

Financial currency: The traditional bottom line, viewed dynamically, which answers, "Are we creating tangible economic value?"

- Time-to-value
- Margin improvement
- Revenue from new offerings

Speed currency: In a volatile world, speed is a competitive weapon, which answers, "Are we getting faster and more agile as an organization?"

- Decision velocity
- Cycle time
- Lead time for change

Resilience currency: Measures the ability to withstand shocks and adapt to disruption, which answers: Are we becoming more robust and less fragile?"

- Time to recover
- Supply chain diversification
- Business process modularity

Customer currency: The ultimate measure of market relevance, which answers, "Are we creating more value for our customers?"

- Customer lifetime value
- Share of wallet
- Net promoter score

Capability currency: Measures the accumulation of skills, knowledge, and assets that fuel future growth, which answers, "Is our organization getting smarter and more future-proof?"

- Critical skills coverage
- Technology adoption rate
- Employee sentiment on change

02

Take a portfolio (not program) approach

Why it matters

Multiple, ongoing transformations have become the norm; most companies are running three or more at once. Yet, senior leaders complain that fewer than one in five transformations return significant value.[9]

The antidote is to orchestrate all initiatives as one, rather than treat transformation as a massive to-do list, and use a continuous innovation model supporting seamless collaboration across the organization around the big picture, innovation design and development, and customer focus. This approach eliminates strategic misalignment, focuses teams on value rather than tasks, and improves the ability to spot redundancies and duplicate work. One study estimates that portfolio orchestration can help organizations realize strategic objectives for digital transformation 30 percent faster and cut cycle times by 25 percent.[10]

Leading companies we surveyed are tackling their transformation agendas holistically with enhanced data and technology foundations, improved orchestration capabilities, more resilient cultures, and partner ecosystems to meet changing marketplace demands. By maintaining an enterprise-level view of change, leaders gain a single overarching perspective on all transformation initiatives and events while building confidence in small steps. They can then evaluate new initiatives in the transformation portfolio relative to current efforts and prioritize accordingly with the rest of the ongoing work.[11]

What to do

- Coordinate change as one connected portfolio. Create a single view of initiatives mapped to strategic objectives, customer value, and the new currencies of value.

- Continuously rebalance. Use quarterly or faster portfolio reviews to accelerate high-impact work, pause low-yield efforts, and resolve cross-initiative risks before they cascade.

- Make dependencies visible. Proactively manage cross-team dependencies to prevent domino delays; use clear stage gates linked to value, not just schedule.

- Design for speed: run in parallel where possible. Shift from sequential to parallel execution when dependencies allow; standardize runbooks; stand up cross-functional squads.

- Decouple delivery. Use application programming interfaces, shared platforms, and modular architectures so teams can ship independently while staying aligned to portfolio outcomes.

- Reward quick, compounding wins. Favor increments that deliver customer-visible value and inform the next rebalancing cycle.

[9] KPMG, "Winning transformations put value first," 2024
[10] Salonen, Fonstad & Rossi, "Managing Digital Innovation as a Portfolio," AIS/SCIS Proceedings, August 2024.
[11] KPMG International, "Transforming the enterprise of the future," 2024.

Accelerate and scale delivery with emerging technology

Why it matters

New technology encourages efficiency but also unlocks value and accelerates innovation. Companies with advanced technology and process maturity, along with strong ROI from digital tech investments, are using AI to transform business models and industry ecosystems, reimagining value streams and operating models, according to a KPMG survey of tech leaders. By the end of 2027, they expect emerging technology to drive significant revenue growth and to accelerate innovation with faster time to market, in addition to improving operational efficiency.[12]

More than 75 percent of senior leaders believe advanced technologies such as AI will increase the likelihood of transformation success,[13] although most are just beginning to realize the power of AI in driving their transformations. They are applying it in the discovery process to understand what resources the organization has and where it needs to go, as well as deploying AI-based tools to track and report across the transformation portfolio. They also are using AI to help compress the path from creative idea to real impact, and business implementation from months to days. Such speed saves significant costs and turns big bets into a sequence of smaller, validated steps that scale, an approach that is a hallmark of top performers in our research. Companies that haven't automated at least half of their processes will be much slower to deliver on transformation than their peers.

Trust is critical: Three out of four executives say their employees trust AI outputs to inform their strategic or operational decision-making.[14] However, most organizations have work to do. Only one in three senior leaders believe their technology partners are aligned with transformation goals; fewer than that (29 percent) give high grades for their company's technology readiness.[15]

What to do

- Visualize and prototype fast. Use easy-to-build tools and generative AI to design processes, user interfaces, and data flows quickly; run pilots to confirm value before scaling.

- Automate the busy work of change. Apply AI to testing, documentation, workflow execution, reporting, and monitoring to shorten cycle times and free teams for higher-value work.

- Stand up guardrails. Put data, risk, security, and compliance controls in place early so AI can scale safely across business units.

- Reuse relentlessly. Standardize processes, platforms, and components; develop shared services so wins in one area can be repeated across the portfolio.

- Build strong partner ecosystems. Use managed services and proven solutions to inject scarce skills at speed and reduce time to value. (See our thought leadership, "Accelerate growth and innovation with partner ecosystems.")

[12] KPMG Global Technology Survey 2025
[13] KPMG International, "Transforming the enterprise of the future," 2024.
[14] KPMG Global Technology Survey 2025
[15] KPMG International, "Transforming the enterprise of the future," 2024.

A private lender creates custom tech around customer needs

Challenge

A nationwide private lender faced declining loan volume and rising operational costs. Leaders recognized the need to upgrade technology to eliminate inefficiencies and deliver a consistent, high-quality customer experience. Off-the-shelf solutions fell short. The lender specializes in residential retail and wholesale financing for fix-and-flip projects, long-term rentals, and ground-up construction loans—products rarely supported by traditional loan origination systems.

Approach

The lender made the uncommon choice to build a custom front-end portal and loan origination system tailored to its unique mix of lending products and stakeholders. The guiding principle: improve user experience and operational efficiency through a customer-first approach and AI-driven acceleration.

An early step was forming an industry advisory council of key stakeholders and customer-facing employees to shape the experience architecture of the new sales and partner portal. Council members developed customer personas, reviewed wireframes and prototypes, and incorporated input from business and technology teams throughout the build.

AI-powered tools helped speed development, starting with discovery of business rules, calculations, and other critical elements in existing systems. AI also converted wireframes and prototypes into production-ready code, compressing timelines significantly.

Meanwhile, the lender established a structure in which internal product owners worked alongside the platform development team, fostering ownership and engagement. Internal design groups were tweaking prototypes in near-real time, a rare and enjoyable opportunity for them to build and learn.

Outcome
Early outcomes included:

- Higher-quality design: Continuous customer feedback ensured the portal meets diverse user needs.

- Speed to market: AI-driven discovery and prototyping substantially cut design and implementation time.

- Stakeholder buy-in: Advisory council alignment minimized resistance and built adoption momentum.

- Empowered internal teams: Employees gained confidence and capabilities to manage future enhancements.

Lessons learned

- Engage customers early and often: Direct input ensures solutions reflect real-world needs and earn early buy-in. Customization can deliver a far better experience than off-the-shelf systems.

- Use AI to accelerate delivery: AI in the discovery and development phases is transforming the software lifecycle.

- Foster ownership for sustainability: Empowering internal teams during implementation builds long-term skills and a strong culture.

Foster a culture of deliberate and continuous innovation that supports transformation

Why it matters

Successful leaders provide a clear and shared vision for transformation as well as accept responsibility for failures. Recent research highlights that fostering a culture of innovation and accountability is critical for transformation success. Organizations that succeed in digital transformation don't just update their technology, they "refresh" their culture in tandem, according to one study of large, global industrial companies. These organizations proactively updated three layers of culture—assumptions, values, and artifacts like processes and tools—to change how employees think, feel, and act in ways that supported transformation.[16]

Senior leaders largely understand the importance of communication—one of their larger concerns is that the objectives and rationale for transformation aren't well understood and communicated.[17] But they also must understand the added stress of multiple programs on employees—76 percent of whom are involved in three or more transformation workstreams at a time.[18] Burnout is a real concern. Companies that build a culture that embraces experimentation, ownership, and collaboration across business and technology can improve employee satisfaction—and companies with satisfied employees outperform competitors by 20 percent.[19]

What to do

- Create a cultural bias toward action. Push to speed up the delivery of customer value without sacrificing quality.

- Assign transformation champions across the organization, including business and information technology (IT). When employees can picture the future, they're more likely to support and advocate for change.

- Own failed transformations. Leaders need to be transparent and explain what didn't work along with what did.

- Adopt a continuous innovation model that brings leaders and teams together to imagine what's next, create meaningful innovations, and deliver them for customers.

- Build skills for continuous change. Invest in training, career paths, and practice communities so teams get faster and more adaptive over time.

- Pace change with people in mind. Move fast without leaving teams behind; sequence upskilling alongside delivery to protect energy and quality.

Putting it all together

Leaders don't need perfect clarity to start. The path forward is to start small, show value, and compound—using radical accountability to keep ownership clear, a portfolio view to keep priorities tight, AI to compress timelines, and a culture that turns change into a repeatable habit.

This is how organizations cross the transformation divide—by acting decisively, learning quickly, and scaling what works.

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[16] Aurangzeab Butt, Faisal Imran, Petri Helo, Jussi Kantola, "Strategic design of culture for digital transformation," Long Range Planning, April 2024
[17] KPMG, "The new transformation agenda," 2023.
[18] Ibid..
[19] KPMG International, "Transforming the enterprise of the future," 2024.

The 90-day sprint to radical accountability

A newly appointed owner of a major transformation initiative can quickly instill a transparent, accountable governance model with the following schedule and steps:

First 30 days:
Define value and build the team

Publicly accept accountability. Meet with key stakeholders to agree on the primary customer value proposition and finalize the initiative's "balanced scorecard" of metrics. Hand-pick the cross-functional leadership team.

First 60 days:
Establish the operating rhythm

Colocate the core team and launch a weekly, data-driven operating review focused on the new metrics. Identify and map the top dependencies on other parts of the organization and secure formal commitments.

First 90 days:
Deliver a tangible win

Produce the first tangible, measurable outcome—even if small—to build momentum. Present the first 90 days of progress, metrics, and learnings to the executive governance body.

In summary

Market volatility isn't letting up—if anything, it's accelerating. From geopolitical shocks and economic whiplash to the relentless advance of AI, today's leaders are navigating a landscape where the only constant is change. Our research shows that the gap between winners and laggards is widening right now, not in some distant future. The organizations pulling ahead are those that refuse to wait for external clarity. They have the data and decision-making models to move forward with confidence. Their leaders act with purpose, discipline, and a willingness to reinvent their organizations in real time.

The riskiest move in this environment is to assume your competitors are standing still. The data is clear: most are not. They're doubling down on transformation, rebalancing portfolios of change, and using AI and digital tools to compress timelines and unlock new value. They're running workstreams in parallel, not sequence, and building

cultures that treat continuous reinvention as a core capability—not a one-off event.

As the business cycle makes another upswing, the choices leaders make today will define their competitive position for years to come. There will be no return to the old normal—only to a new landscape shaped by those who moved decisively while others hesitated. The imperative is not just to transform, but to do so with agility, focus, and a bias for action.

Now is the moment to challenge assumptions, close the execution gap, and build the capabilities that will carry your organization through the next wave of disruption— whatever form it takes. In this era, sustainable value goes to those who combine courage with discipline, and who see volatility not as a threat, but as a catalyst for lasting advantage.

Ou research methodologies

KPMG LLP (KPMG) surveyed 400 respondents at US companies across various industries in June 2025 regarding transformation including digital/technology, enterprise, and performance initiatives. Participants represent a diverse range of organizational types and sizes with annual revenues from $1 billion to more than $100 billion, including a substantial proportion of publicly traded companies. Most respondents are in C-suite and other high-level positions typically involved in transformation efforts, with significant representation from technology/IT and operations.

N=400 | Geography – United States

Level in the organization

64% C-Suite / Executive

36% SVP / EVP / VP / Head of Function

Industry

FS	25%
TMT	21%
ENRC	16%
HCLS	16%
C&R	15%
IM	8%

Role in the organization

CEO	CIO	COO	CFO	CMO	Other
31%	30%	20%	13%	4%	1%

By organization type

- 32% Publicly traded company
- 33% Publicly traded company in the S&P 500
- 19% Private: not financial sponsor-owned
- 12% Private: financial sponsor-owned
- 5% Private equity
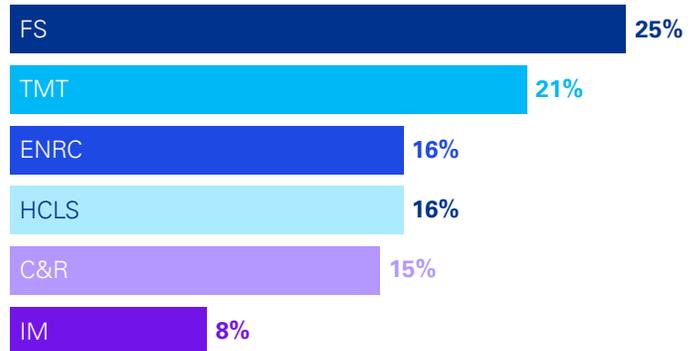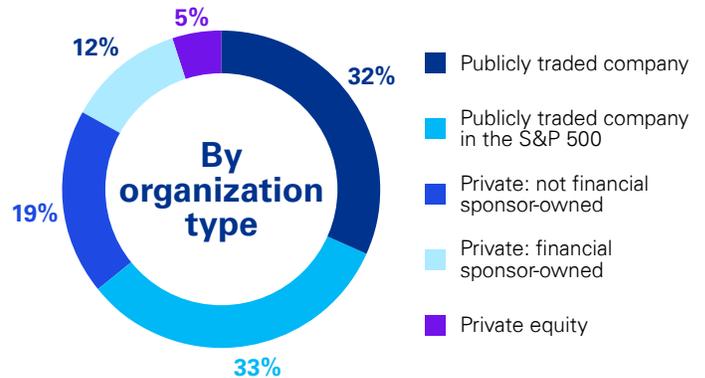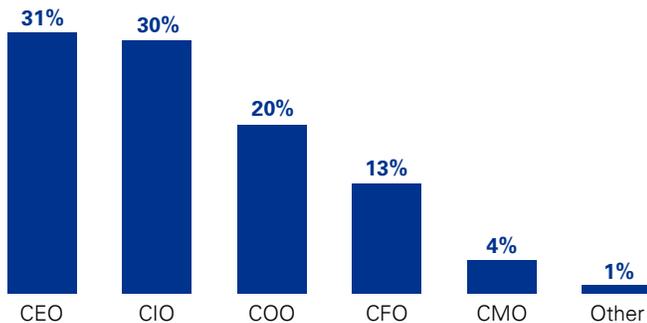
Source(s): Unsticking Transformation Survey, Jun'25.

Organizational annual revenue

34%	28%	17%	13%	9%

- $1B - 9.9B
- $10B - 24.9B
- $25B - 49.9B
- $50B - 99.9B
- $100B or more

Type of firm you work for

- 34% Business-to-business (B2B)
- 15% Business-to-consumer (B2C)
- 51% Both B2B and B2C

Tenure in single role in one firm

- 14% 1 - 3 years
- 27% 3 - 5 years
- 59% 5+ years
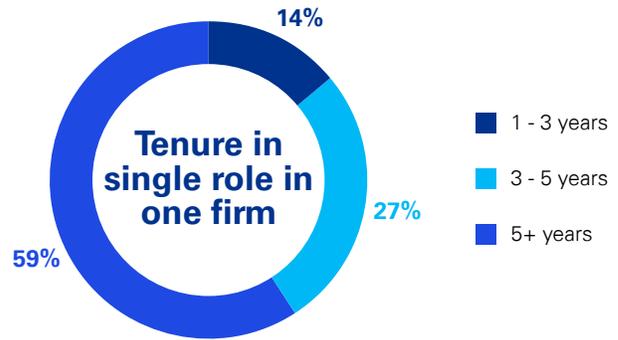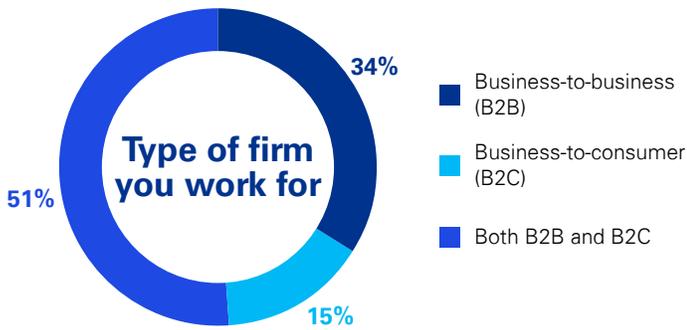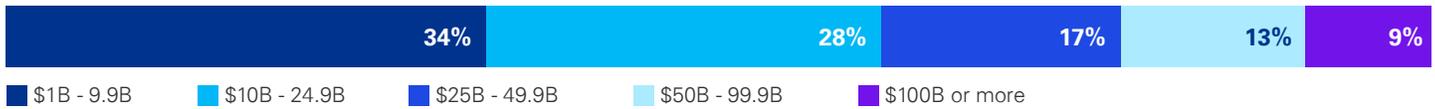
Source(s): Unsticking Transformation Survey, Jun'25.

Measuring response and recovery methodology

This analysis aimed to understand how companies responded to and recovered from periods of high volatility, specifically focusing on the COVID-19 pandemic. We began by selecting all US public companies listed on major exchanges such as the NYSE and Nasdaq, provided they had financial data dating back to 2016. Initially, the dataset comprised 1,831 companies, and we measured their financial performance across two distinct periods: pre-COVID-19 (2016–2020) and post-COVID-19 (2020–2024).

To refine our analysis, we ran evaluations based on total shareholder return (TSR) and revenue, comparing the performance of these companies during the specified periods. This process helped us categorize the 1,831 companies into four distinct groups. From these groups, we shortlisted 10 companies per sector, ultimately selecting a subset of 173 companies for focused analysis, covering the timeframe from the fourth quarter of 2019 through the fourth quarter of 2021.

We assessed financial performance using the same two metrics: TSR and revenue. To enhance these quantitative measures, we reviewed earnings transcripts, conducting a keyword analysis with Python on 24 digitalization-related keywords. This analysis resulted in 33,477 keyword hits across all transcripts. By monitoring the frequency of these keywords quarter-over-quarter, we evaluated which companies demonstrated faster adoption of digital transformation initiatives compared to their peers.

By comparing financial performance and digitalization trends across the two timeframes—prepandemic and postpandemic—the methodology provides insights into how organizations responded to and adapted to rapid change.

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Drive growth and agility with precision and speed for lasting resilience. Expect to change smarter and move faster — eliminating inefficiencies and building trust and confidence, at every step.

Velocity activates the report's four actions—anchoring change to customer value with radical accountability, orchestrating one connected portfolio, accelerating delivery with AI, and fostering a culture of continuous innovation.

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How KPMG can help

When volatility and uncertainty disrupt your transformation goals, KPMG can help you change speed and direction to get back on track and move forward with confidence. KPMG Velocity is designed to support your organization's most critical enterprise, functional, and foundational transformation. It combines our tested methodologies with our in-depth experience and operational excellence in one platform to help your organization:

➤ Accelerate outcomes and reduce costs

➤ Unify your transformation efforts

➤ Access advanced capabilities

➤ Innovate with confidence

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