



Positioning new Technology Leaders for Success



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Navigating the early days as a new CIO

Today's Chief Information Officers (CIOs) are expected to serve as strategic business partners and change leaders, as well as run an effective Information Technology (IT) function. The newly appointed CIO agenda is often built upon a mandate for significant improvements in IT's value proposition. The early days in the role present a significant opportunity to build a promising vision. However, as business pressures grow, the available time frame to establish credibility is steadily shrinking.



Now more than ever digital leadership is critical. **Digital transformation is dominating the agenda of businesses and agencies across all private and public sector organizations.** For years KPMG LLP has collaborated with several organizations to understand what drives success. **Our research has shown that CIOs who achieve digital leader status enable better business outcomes and experience work differently.**

These leaders outperform their peers by winning across a variety of business metrics from time to market and operational efficiencies, to top-line growth. **The 2026 KPMG US Technology Survey reveals that 95 percent of US firms expect digital transformation to drive revenue growth in the next two years.**

Organizations at the forefront of these journeys are already capturing this value, outpacing their global peers in harnessing substantial financial returns.

Furthermore, these leaders are fundamentally rethinking how work is organized. Insights from recent meetings with clients highlight a strategic shift toward redesigning processes to be AI-native, a move that unlocks new monetization opportunities and creates more scalable impact. **This demonstrates a significant performance gap between digital leaders and their peers, with the leaders continuously pulling away from the competition.**

Exhibit 1: The future-ready operating model and the enabling capabilities

As CIOs work to quickly establish credibility and drive business outcomes, the operating model becomes a critical enabler of success. **The future-ready operating model must be designed and driven to support the specific value streams of the business and the unique speeds, attributes, and characteristics of these portfolios.** Consider these questions when evaluating your market factors:

XaaS Champion

How do we **orchestrate an increasingly complex 'everything-as-a-service' ecosystem**, including the rapid influx of embedded third-party AI capabilities, to drive new commercial models without succumbing to vendor sprawl?

AI Innovation at Scale

How do we **move beyond use case experimentation to structurally scale AI**—guiding, capturing, and protecting its value using unobtrusive guardrails for safety and cost efficiency?

Data Centric

How **can we restructure our technology architecture** to shift from merely enabling processes to treating our data as critical, high-quality fuel required to power AI innovation and enterprise-wide insights?

Talent Incubator

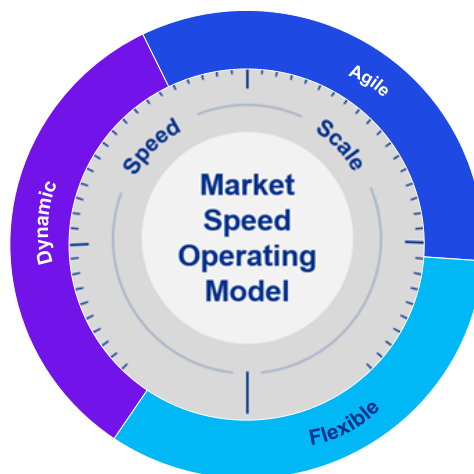
As AI increasingly automates and commoditizes hard technical capabilities, **how do we pivot to attract and grow soft skills**—like judgment, adaptability, and business acumen—required to lead the future enterprise?

Responsible Operations

How do we **operate a transparent, compliant, and accountable technology function** that meets stakeholder demands, especially as the operational and ethical boundaries of automated and AI-enabled processes expands?

Resilience Focused

As threat actors weaponize next-generation technologies, how do we **shift from focusing mostly on security hardening to proliferating cyber literacy and operational resiliency** practices in the age of AI?



Achieving your objectives in these areas requires understanding your business and the role of IT, prioritizing your efforts, and moving swiftly to execute your agenda. Consider the following insights and practical advice to help build momentum in tackling these challenges.

Step 1: Gain perspective

An effective course of action requires insight. It is important to obtain a thorough understanding of the organization's business goals, and the IT issues it is facing. Gaining clarity on business needs and priorities—including an awareness of the roles, responsibilities, and relationships within the business and the IT function—is essential to align your efforts effectively.

Experience shows that successful CIOs are particularly good at achieving a balanced perspective on the state of their organization by communicating frequently and effectively with key business and IT stakeholders.

When evaluating potential areas for improvement, validating perceived issues is critical before acting. Root cause analysis can be an effective tool in the process, as well, to make sure that real issues—versus symptoms—are addressed.



Given that time is of the essence, a structured, targeted approach is necessary to understand the state of IT and aid decision making. This approach can be framed holistically by considering six layers of the IT operating model:



Functional process

The work that the IT organization is responsible for executing, across an entire value delivery chain starting from strategic alignment with business needs, to the design, development, and sustained delivery of products and services to meet those needs.



People

The required skills, roles & responsibilities, and organizational structure, including training & development, incentives & expectations, leadership, and culture, necessary to support the delivery of products and services.



Service delivery model

The location and means by which services are delivered, considering sourcing strategies and multiple channels to serve customers and end-users to optimize resource use to meet customer needs and maintain service quality.



Technology

The infrastructure, applications, underlying architecture, and tools necessary to deliver IT solutions that achieve expected outcomes.



Performance, insights & data

The operational key performance indicators (KPI) and strategic objective & key results (OKR) to measure IT value, as well as the effective management of data & analytics to provide meaningful insights.



Governance

The frameworks and policies for IT decision-making, asset protection, risk management, and compliance that can ensure security, integrity, and trust.

KPMG can work with new technology leaders to help rapidly build a fact-based perspective of their current IT landscape by deploying structured diagnostics, facilitating targeted stakeholder interviews, and applying proven operating model frameworks, establishing a foundation that enables effective decision-making and strategy development.

Step 2: Keep priorities in focus

Developing a broad, fact-based perspective will better equip you to address pressing issues, keep IT running smoothly, and maintain a strategic focus in the face of inevitable distractions that will threaten to derail your efforts.

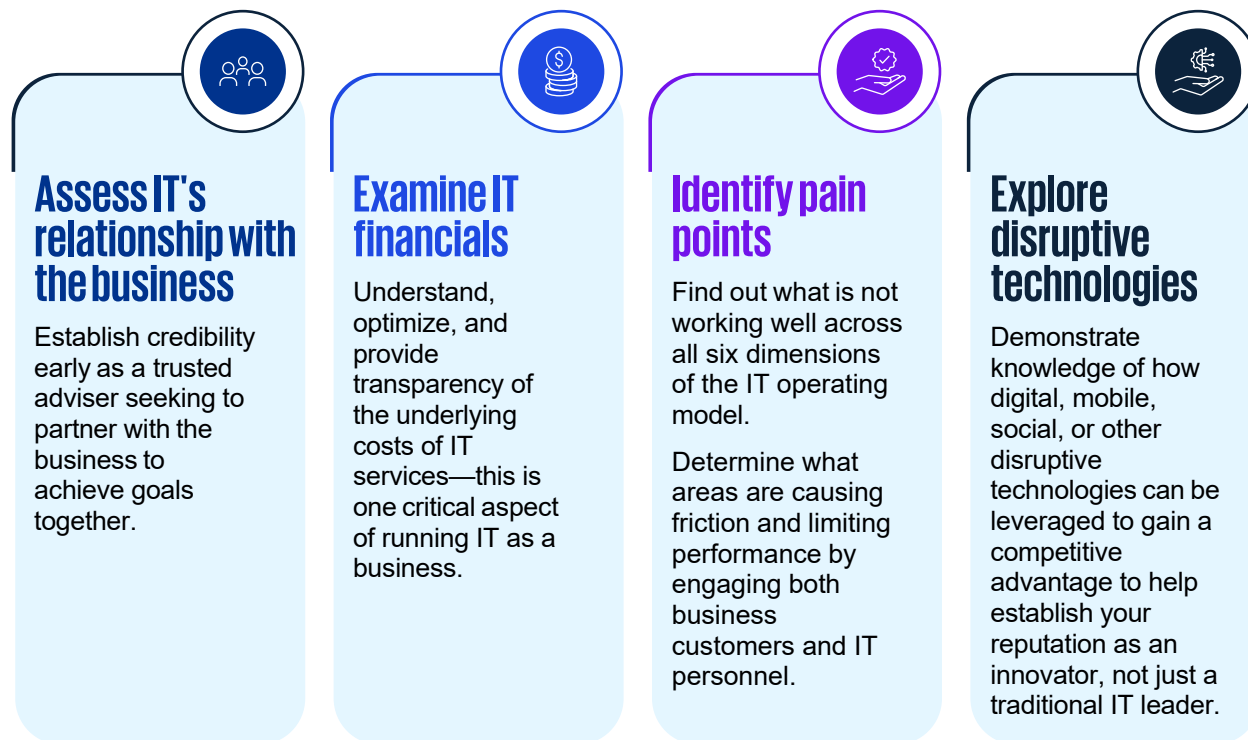
Based on our experience working with CIOs, KPMG developed a graphical radar, grouping priorities by six IT operating model dimensions and relative urgency. This paradigm helps time-challenged CIOs facing resource competition clearly outline their agenda. As depicted in the sample below, the CIO initially focuses on urgent issues near the center, addressable in a short time frame. As these are achieved, the CIO moves outward to important but lower-urgency objectives. KPMG partners with new CIOs to apply this framework by helping them rapidly identify urgent issues, sequence priorities, and communicate a clear agenda, enabling leaders to focus on immediate actions, build momentum, and align stakeholders around a shared vision.

Exhibit 2: Six dimensions of the operating model

	Lower Urgency	Potential actions: - Conduct review of key processes to streamline and standardize - Assess automation opportunities to increase efficiency and reduce errors	Functional process - Continuous improvement is not embedded - Many core processes are informal, inconsistent, and highly manual	People - Teams in silos; lack of collaboration - Workforce is unable to address digital disruption and trends - Morale issues and IT skills shortage	Potential actions: - Develop a talent recruitment and retention program - Invest in digital skills and capabilities
	Higher Urgency	Potential actions: - Remediate IT control weaknesses - Launch innovation program to assess emerging technologies - Appoint/evaluate the Chief Information Security Officer (CISO)	Governance - Current governance presents barrier to innovation and experimentation - IT control failures and audit findings - Informal and unenforced information security policies	Service delivery model - Vendor performance is not evaluated - Unable to quickly move changes into production - Excessive and overlapping services across large number of vendors	Potential actions: - Adopt DevSecOps and agile methodologies at scale - Establish centralized vendor management office - Rationalize service and vendor inventory
	Lower Urgency	Potential actions: - Terminate non-critical projects or programs lacking clear business cases - Establish IT performance reporting that aligns with line-of-business objectives	Performance, insights, and data - Value drivers for each business unit are not defined - IT performance targets are not agreed upon, measured, or communicated	Technology - IT saddled with the costly burden of operating multiple data centers - High number of legacy and duplicate systems	Potential actions: - Eliminate redundant and low-value applications and assets - Review tools and features that are in place to enable & enforce consistent ways of working in IT

Step 3: Create your agenda

As you begin to formulate your agenda, please consider the following leading practice guidance that KPMG has compiled from our experience working with technology leaders.



KPMG collaborates with new CIOs to help prioritize their agenda by asking the right questions, pinpointing urgent issues and identifying areas for long-term improvement by uncovering patterns that reveal root causes. By focusing on underlying issues rather than just symptoms, we help CIOs address what matters most. For example, if multiple projects are in trouble, there may be a larger program management issue. Therefore, while it may seem urgent to address failing projects, addressing the root cause of those issues should also be a priority.

When multiple concerns span several dimensions, we guide leaders to strengthen planning, governance, and control, preventing future problems. Consider asking the following questions to help gain perspective on the state of your IT organization.

Exhibit 3: Seeking answers

Functional process

- What are the known gaps or process inefficiencies?
- Where are the potential opportunities to increase automation, to deliver faster, reduce errors, or improve consistency?
- Do our core processes connect with and inform each other through established inputs, outputs, and dependencies?
- Has my IT organization adopted continuous delivery principles and tools?
- Where can AI be embedded to augment or automate decision-making within key processes?
- What percentage of our budget goes toward building and improving IT solutions versus running and maintaining IT infrastructure?

People	• Do we have a culture of collaboration where my team proactively brings ideas and recommended strategies to the business? • Are there any problems with our current management or organizational structures? • Are there skills gaps or challenges attracting and retaining top talent? • Can our resource capabilities be strengthened or better leveraged through a more variable external workforce model? • How are we upskilling the workforce to effectively adopt and govern AI-enabled tools? • Does everyone in our department have access to quality training that is relevant to their role and level of experience?
Service delivery model	• How effective is our current framework for delivering IT services? What opportunities exist to improve service delivery? • Do we have market-leading skills available in-house to enable agile and collaborative approaches to project delivery (e.g., DevOps)? • How are we integrating third-party AI capabilities into our service ecosystem while managing vendor risk? • Are there opportunities to better define or improve our current sourcing strategy (e.g., consolidate vendors, address service gaps, redundancies)? • How well are our service providers meeting service levels and contractual obligations?
Technology	• Are we deploying any innovative technologies to better use IT resources, increase profitability, and provide competitive business advantage? • Where do we have potential opportunities to rationalize and simplify IT infrastructure and related assets or move systems to the cloud? • Are there instances of “shadow IT” where business groups are making technology investments or decisions without involvement from my team? • Is our technology landscape capable of supporting scalable AI and advanced analytics workloads?
Performance, insights & data	• Does my management team clearly understand the goals of the business and the drivers of business value? • Is IT performance measured and reported using measures that are meaningful to the business and clearly demonstrate value? • What operational issues with performance or service levels exist? Is root cause analysis performed for incidents or issues? • How are we measuring the value and ROI of AI initiatives (e.g., efficiency, revenue, risk reduction)?
Governance	• Is our budget being wasted on redundant applications, unused licenses, or underutilized infrastructure? Do business unit leads know what they are spending on IT? • Is our IT governance model effective, with clear accountability and decision-making processes? • Do we have adequate investment review processes and procedures in place for evaluating and approving proposed investments? • Are there significant findings revealed by audits or reviews for our department that need to be remediated? • What processes and tools does our team use to govern information life cycle management? Are they effective? • How do we identify IT-related risks and issues and proactively manage or mitigate them? • Do we have clear governance frameworks for AI, including risk management, ethics, and regulatory compliance?

Exhibit 4: CIO perspectives on security, data, and privacy

CIOs today unanimously agree that the journey toward data modernization is difficult yet essential. This narrative aligns with the urgency to match on-premise legacy systems with the ever-evolving demands of artificial intelligence (AI) and data governance.



The data challenge: From chaos to clarity

Organizations face **fragmented data landscapes, legacy constraints, and inconsistent standards** that limit their ability to generate reliable, enterprise-wide insights. **These issues are amplified as AI and advanced analytics demand higher data quality and integration.**

KPMG supports new CIOs in **establishing a unified data vision by aligning architecture, governance, and standards to enable consistency and scalability.** This approach helps accelerate the shift from siloed data to trusted, decision-ready insights.



Security and data governance

CIOs are navigating significant barriers including tech debt, legal, and compliance challenges. **Many organizations are bolstering their efforts by appointing Chief Data Officers (CDOs) to spearhead data governance, creating an urgently-needed unified, enterprise-wide data vision.**

KPMG works with CIOs to **design and implement robust governance frameworks, strengthen data security, and ensure compliance with evolving regulations.** Our approach can help enable CIOs to **proactively manage risk and unlock value from governed, high-quality data.**



Privacy in the data age

In an era where data drives innovation, **maintaining stringent privacy standards is imperative.** It is important to institute **robust data governance frameworks that can ensure compliance with global regulations,** thus safeguarding trust and accountability.

KPMG brings **privacy-by-design principles into data strategies,** helping embed compliance into core processes without slowing innovation. The result is a **sustainable privacy framework that protects trust while enabling growth.**



Moving forward

To leverage AI's full potential, **CIOs must champion data modernization and governance,** but face obstacles such as legacy systems, funding constraints, and misalignment between technology and business priorities. Despite C-suite anxiety about AI missteps, **focusing on data quality and governance can help alleviate these concerns.**

KPMG helps CIOs **bridge strategy and execution by aligning data modernization roadmaps with business objectives, investment cycles, and measurable outcomes.** We enable practical, phased transformation that helps **accelerate AI adoption while managing cost, risk, and organizational change.**

How KPMG can help

KPMG recognizes the increasing demands and complex tasks facing organizations today. We can help ease your path to success and assist you in achieving your goals by offering an experienced viewpoint and objective advice.

KPMG professionals work with IT executives to provide candid assessments, tailored recommendations, and valuable support. We draw upon established practices in the field, as well as wide-ranging methodologies and toolkits, to deliver a thorough, yet efficient, review. Our extensive services can empower CIOs and business leaders to exploit the shifting technology ecosystem driving maximum value, agility, and efficiency. We help improve the strategic value of your IT investments, transforming your technology infrastructure into a powerful engine for continuous innovation and sustainable business growth.

Exhibit 5: KPMG integrated services for IT executives



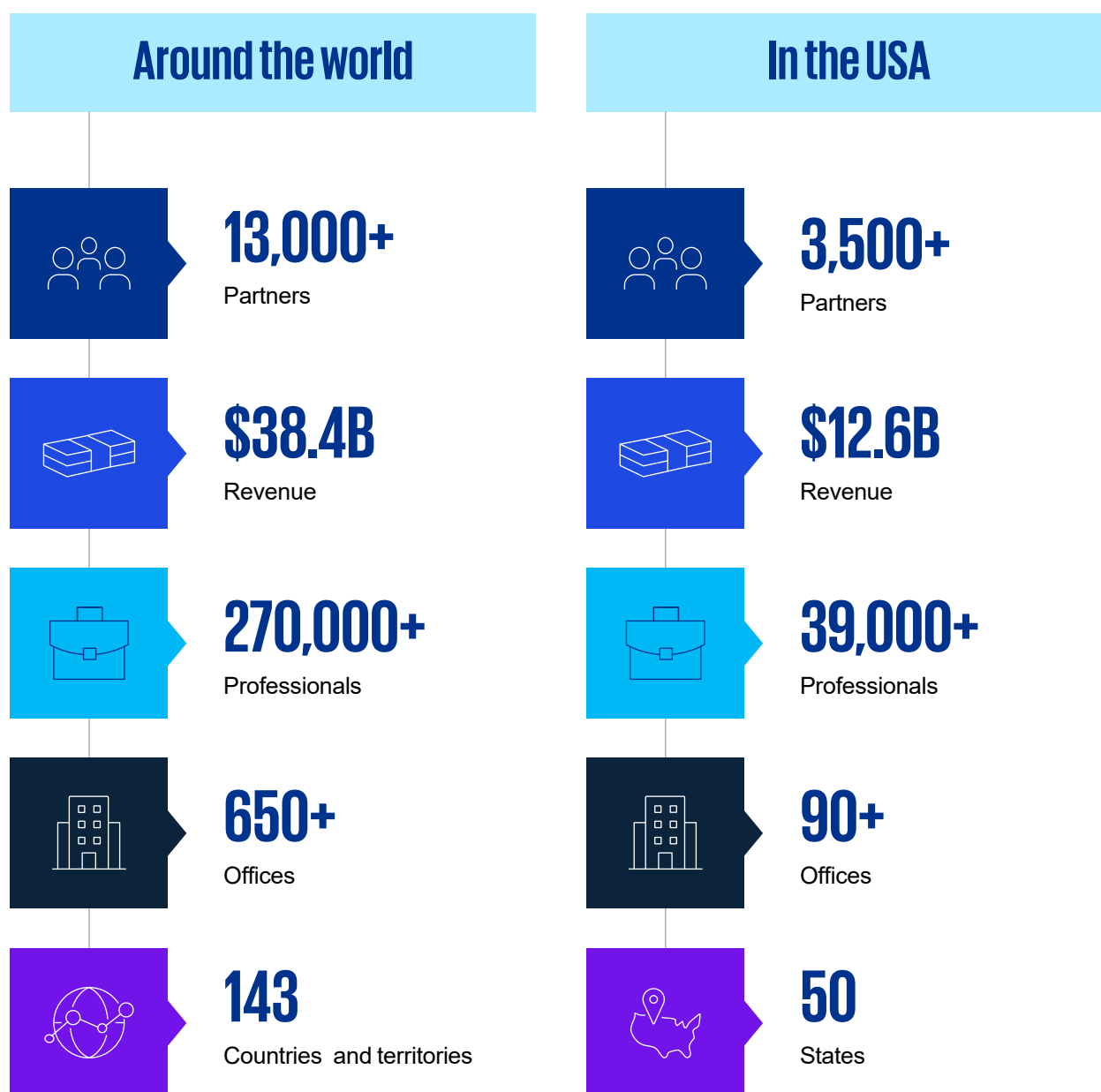
Shape and execute your IT strategy

IT strategy	Software design and development	Enterprise architecture	Cyber defense and response
Operating model	Agile DevOps transformation		Attestation/Assurance
Data strategy	Testing quality assurance	IT business management (ITSM, ITFM, ITAM, PPM, APM)	Information governance
Sourcing strategy	Program and project management	Governance, risk, and compliance	
Deal Integration/Separation	Third-party risk assurance	Full stack modernization	Regulatory compliance
Cost optimization	Experience design and engineering	Data governance and management	Business & technology resilience
Emerging tech risk	Cloud transformation		
Cyber strategy and transformation		Advanced analytics and automation	

The KPMG story

KPMG LLP is the US firm of the KPMG global organization of independent professional services firms providing Audit, Tax, and Advisory services. The KPMG global organization operates in 139 countries and territories and has more than 275,000 people working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

At KPMG, we come to work every day because we are passionate about solving the business challenges that keep our clients up at night. Our people work alongside companies of various shapes and sizes, in all 50 states, to pinpoint and deliver practical, customized business services that drive real results.



Core Values

KPMG values lie at the heart of the way we do things and define our culture and our commitment to the highest principles of personal and professional conduct.



Integrity

We do what is right.



Excellence

We never stop learning and improving.



Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.

KPMG differentiators

At KPMG, we always strive to bring our best to clients. That is why we join forces with leading technology providers that complement the deep experience, diverse perspectives, and specialized industry knowledge of our multidisciplinary model.

Strategic alliances enhance our integrated capabilities and help clients seize more value from strategy and technology investments. Better together, we work in tandem to deliver wide-ranging solutions that help clients add value, drive greater outcomes, and make a difference.

Artificial Intelligence (AI) and Digital Innovation

At KPMG, we embrace disruption, inspire confidence, and empower change in this pivotal moment for our firm and society. As AI and emerging technology rewire industries, our mission is to transform KPMG through the systematic adoption of new emerging technologies.

As we embark on this transformative journey, we are dedicated to harnessing emerging technologies to reimagine our identity, client services, and internal functions at KPMG. Join us in leading the change and shaping the future.



Enterprise innovation

The KPMG Enterprise Innovation group incubates new ideas to drive growth, manage risk, and improve efficiency. Our diverse team of technologists, scientists, and strategists leverages powerful assets to unlock value, make ideas actionable, and achieve measurable outcomes for clients.



KPMG Ignition

KPMG Ignition works differently to deliver differentiated client results. Integrating advanced capabilities, we curate bespoke experiences to help guide your organization further. Ignition helps you see beyond the now, sensing new opportunities for faster, better outcomes and continuous business transformation.

We aim to meet clients wherever they are in their business journey and curate the experiences to help navigate complex business challenges in an environment of constant change.



KPMG is a leader in IT strategy, implementation, and AI-enabled transformation

[**Learn more >**](#)



Sharing our insights

Thought leadership to help you and your business.

Cognitive technologies. Impending regulatory change. Escalating cyber threats. KPMG thought leadership provides unique insights and practical guidance on your most critical business issues. Our thinking reflects cutting-edge research, visionary perspectives, and our extensive, hands-on industry experience. More than anything, we view our thought leadership as a catalyst for dynamic, ongoing dialogue with our clients and prospects that will help shape their futures.





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