



2025 KPMG US CEO Outlook



Introduction

In this moment of change, CEOs are confronting multiple risks and opportunities with urgency to navigate uncertainty and grow. It's very much "go time" on challenging issues.

Our latest edition of the KPMG CEO Outlook analyzed insights from more than 1,300 CEOs at large companies globally, including 400 in the United States, on the key challenges and opportunities related to driving business growth in this environment.

Virtually every conversation with a CEO starts with dealing with uncertainty and tackling supply chain strategies to reduce costs, especially as customers are showing some caution on spending. This is the top near-term pressure CEOs face. Organizations using artificial intelligence (AI) to take smarter, more creative actions are more effectively reducing the pressure to pass on costs to customers.

As high levels of investment in AI continue, CEOs are under real pressure to deliver returns on these investments. They see AI agents as game changers and believe that AI-native companies will supplant some incumbents. They must build on measurable efficiencies today, overcoming data readiness challenges, to realize new value longer-term.

Another considerable AI challenge—CEOs know they need to change their workforce's shape, size and capabilities, but there is a lot of uncertainty on the destination. What's abundantly clear is that AI agents will be embedded team members across organizations, underscoring the urgency to upskill employees and design systems to govern, manage and develop agents.

AI is certainly the technology trend driving the C-suite agenda, but quantum computing has now shifted from a research focus to business opportunity. Quantum computing also poses a significant cyber threat to current encryption standards, requiring organizations to start adjusting their approach now. Beyond quantum, cybersecurity is a persistent concern in the near and long term with CEOs extremely concerned about fraud detection and prevention, identity theft and data privacy.

Given all these pressures, the CEO role is evolving and increasingly multidimensional as expectations become more expansive. But CEOs are leading with confidence, leaning into new skillsets and adaptability as they position their organizations for success in the years to come.



Timothy J. Walsh
KPMG US Chair and CEO

The top challenge for CEOs in the short term is supply chain resilience.



CEOs report supply chain resilience is the top pressure driving short-term decisions.



29%

cybersecurity risks

25%

global economic uncertainty

23%

AI integration into business processes

23%

regulatory pressures

89%

said tariffs will significantly impact their business's performance and operations over the next three years.

86%

say their organization will increase prices for their goods and services as needed.

85%

said their organization will continue to adjust sourcing strategies to minimize tariff impacts such as shifting to more domestic production and sourcing more materials domestically.



Virtually every meeting with a CEO begins with discussing supply chain strategy, cost takeout, and operational efficiency. With more cautious customers, organizations that are using AI to take smarter, more creative actions are reducing the pressure to pass on costs to customers. This is a clear example of how being a first mover on AI is helping organizations navigate uncertainty effectively."

— Tim Walsh, KPMG US Chair and CEO

Cybercrime is high on CEOs' near- and long-term risk radar.

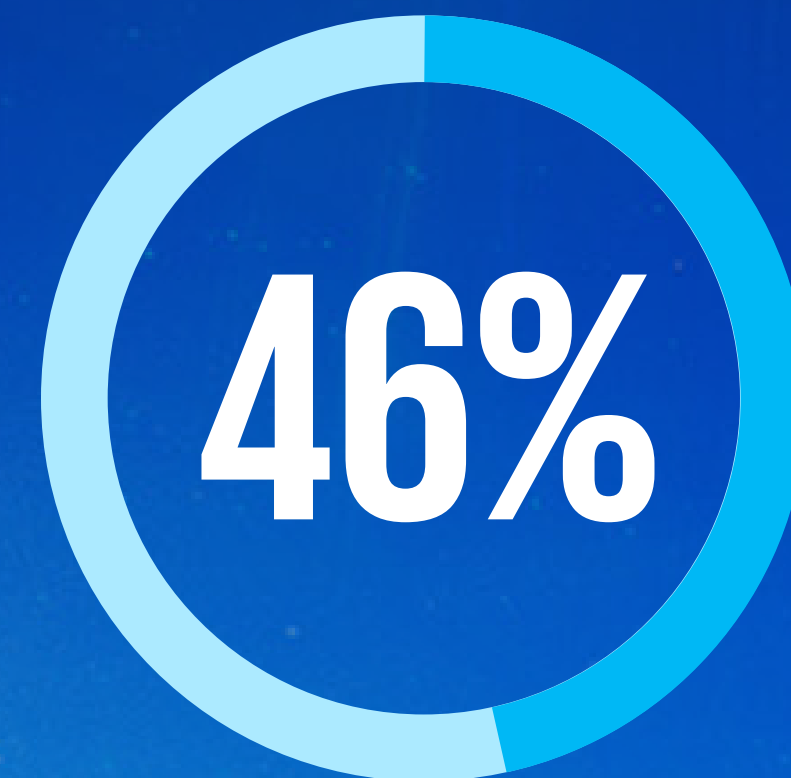
When asked to identify the top trends that could negatively impact their organization's prosperity over the next three years, US CEOs most highly ranked **cybercrime** and **cyber insecurity** (82%).



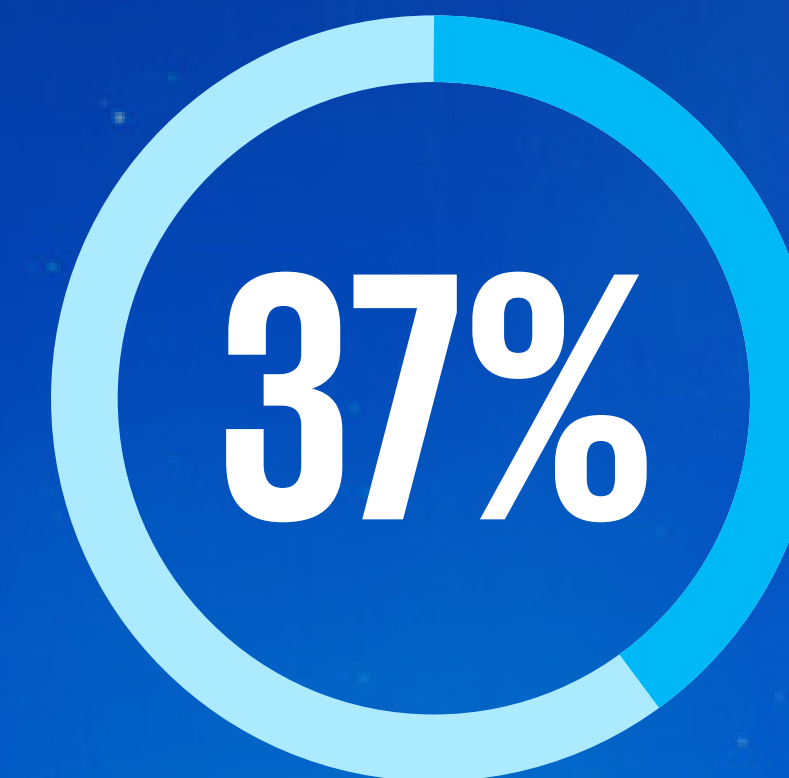
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To mitigate pressing business risks over the next three years, CEOs reported that their organizations have increased investment in:

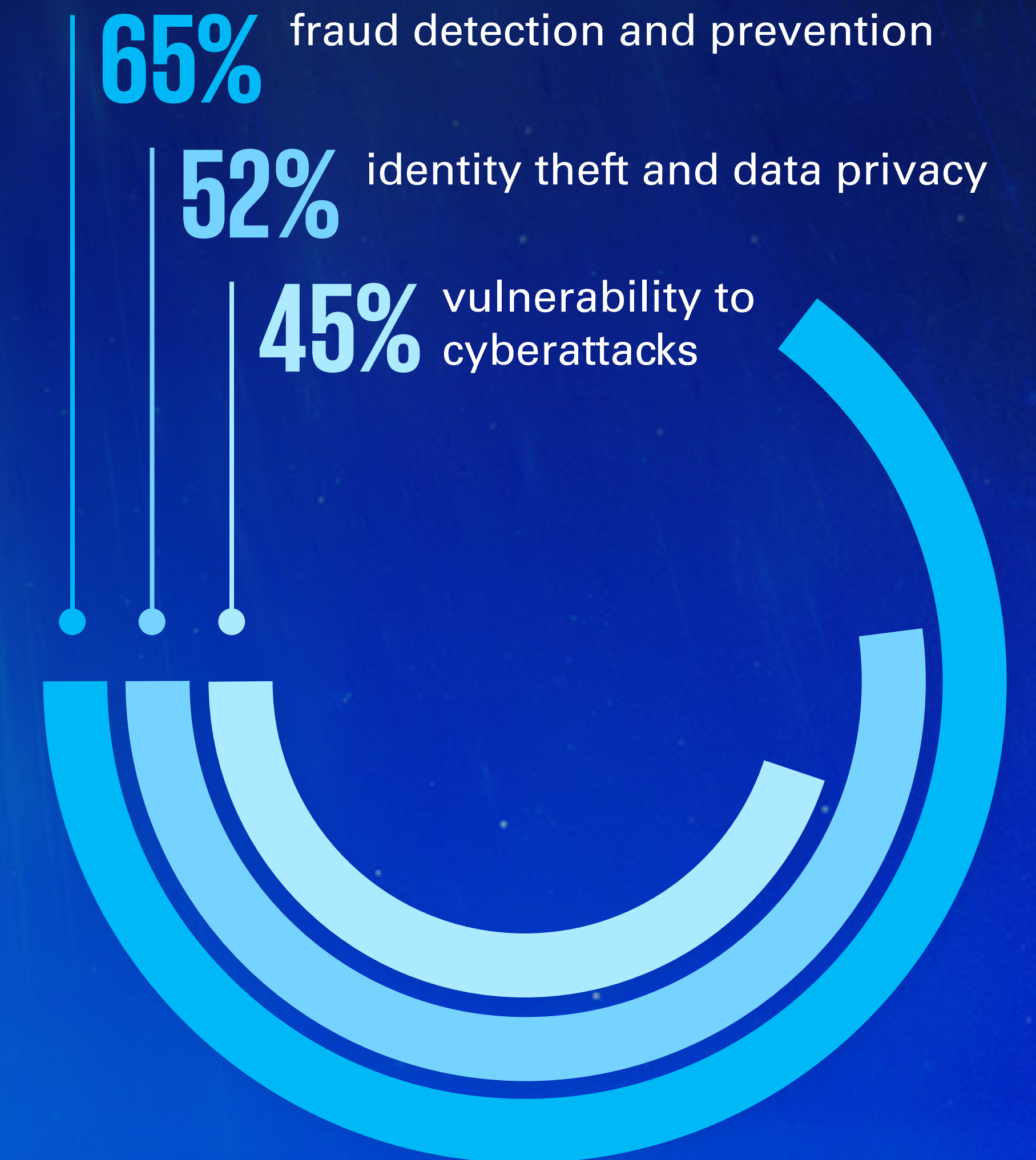


cybersecurity and digital risks resilience



AI integration into operations and workflow

When it comes to cyber risk specifically, CEOs are extremely concerned about:



As a result of these interrelated challenges:

79% of CEOs say they have already adapted their growth strategy.

22% plan to do so but haven't yet.



33%

of US CEOs indicate they have a high M&A appetite and will likely undertake acquisitions that have a significant impact to their overall organization over the next three years.

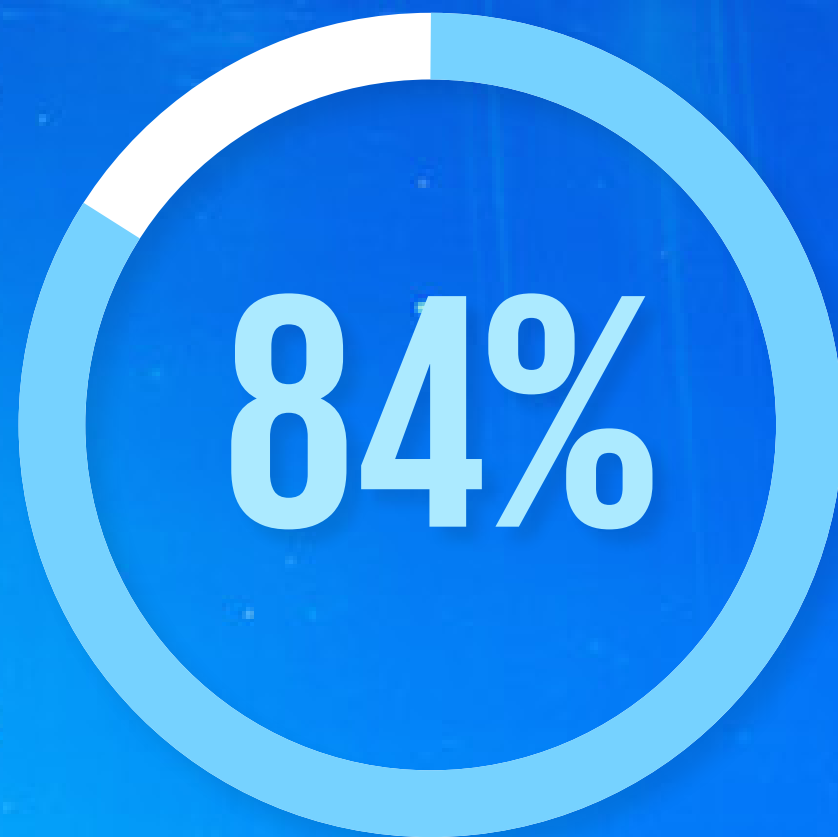
56%

plan to make acquisitions that will have a moderate impact to their organizations.

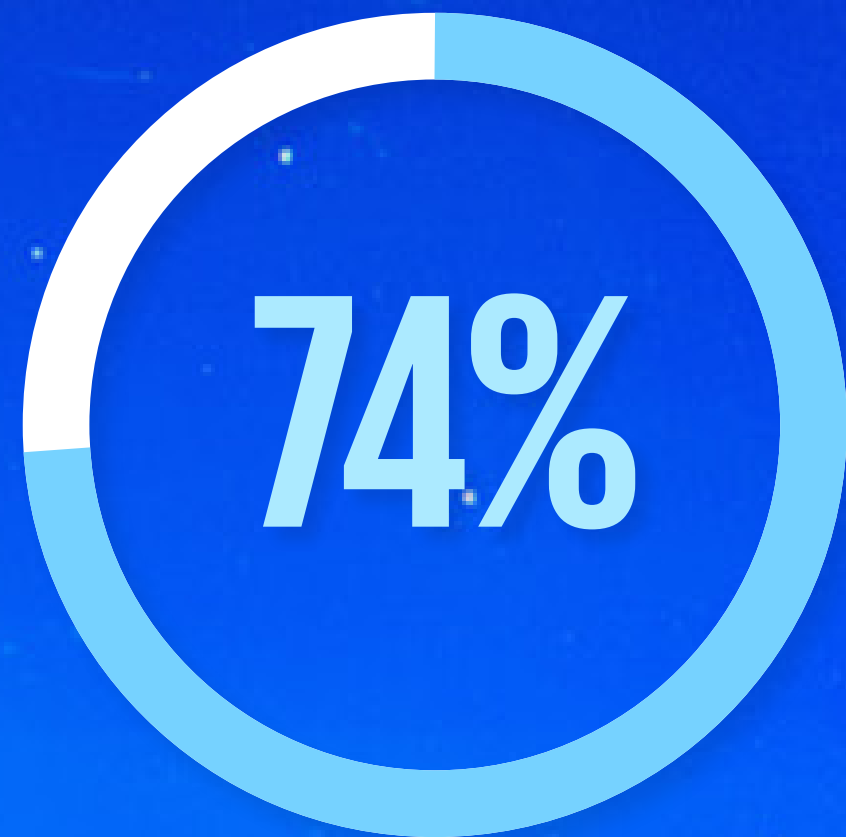
Over the next three years, US CEOs are confident in the growth prospects for:



their country



their company



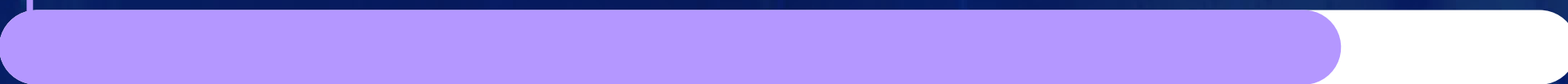
the global economy

Artificial intelligence

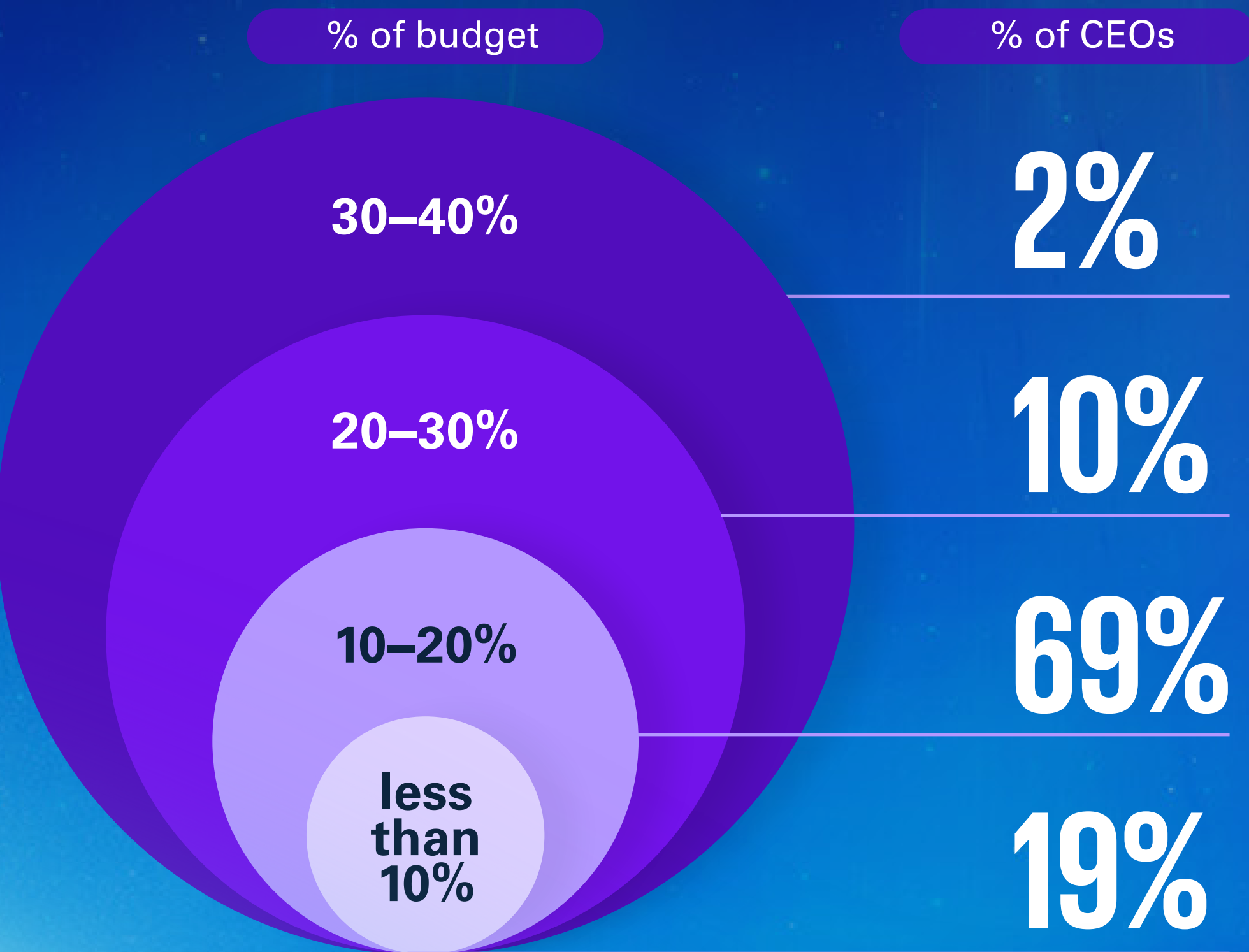
Over the next three years, CEOs report trends related to AI will impact their organization’s prosperity on multiple dimensions, including talent and implementation. Amidst this AI focus, CEOs also report inflationary pressures—and additionally the cost of technology—will impact their organization’s growth. Most CEOs expect AI agents to have a significant or transformational impact on their business and have accelerated their expectations on when they will see a return on investments.



74% of US CEOs say AI is a top investment priority despite ongoing economic uncertainty.



Percentage of budget CEOs anticipate spending on AI over the next 12 months:



CEOs report that, over the next three years, the following will impact their organization’s prosperity:

81% ability to upskill talent

79% ability to integrate AI into business processes

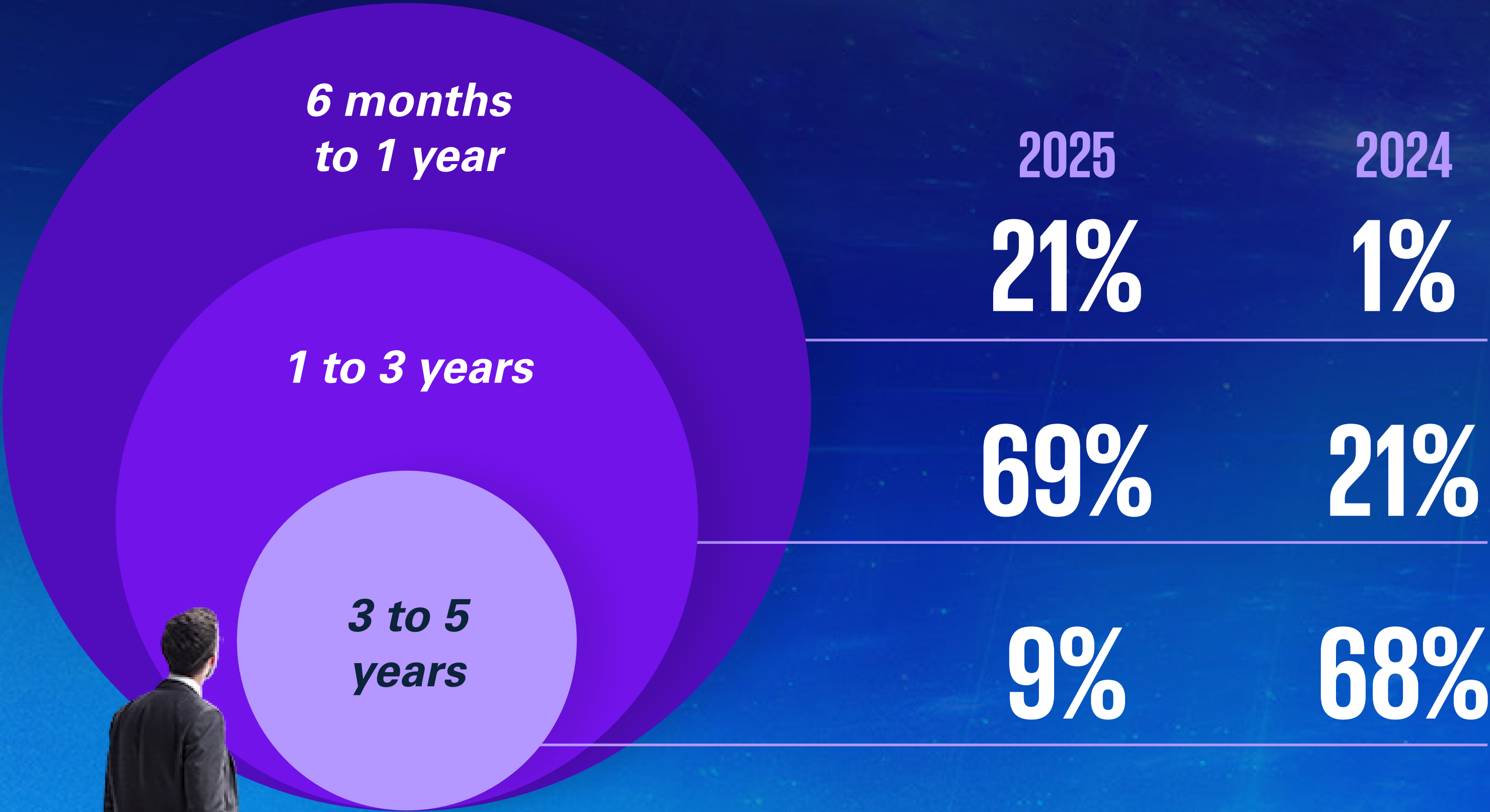
77% ability to mitigate inflationary pressures

75% cost of technology

46% supply chain

44% protectionism

CEOs are accelerating their *expectations for return* on AI investments.



When asked to identify the *top challenges* to implementing AI with their organization, CEOs cited:

01 Data readiness	02 Ethical challenges	03 Lack of regulation
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CEOs identified the following as *top benefits* of implementing the use of AI across the organization:

01 Increased efficiency/ productivity (through automating routine operations)	02 Enhanced decision-making	03 Data analysis capabilities
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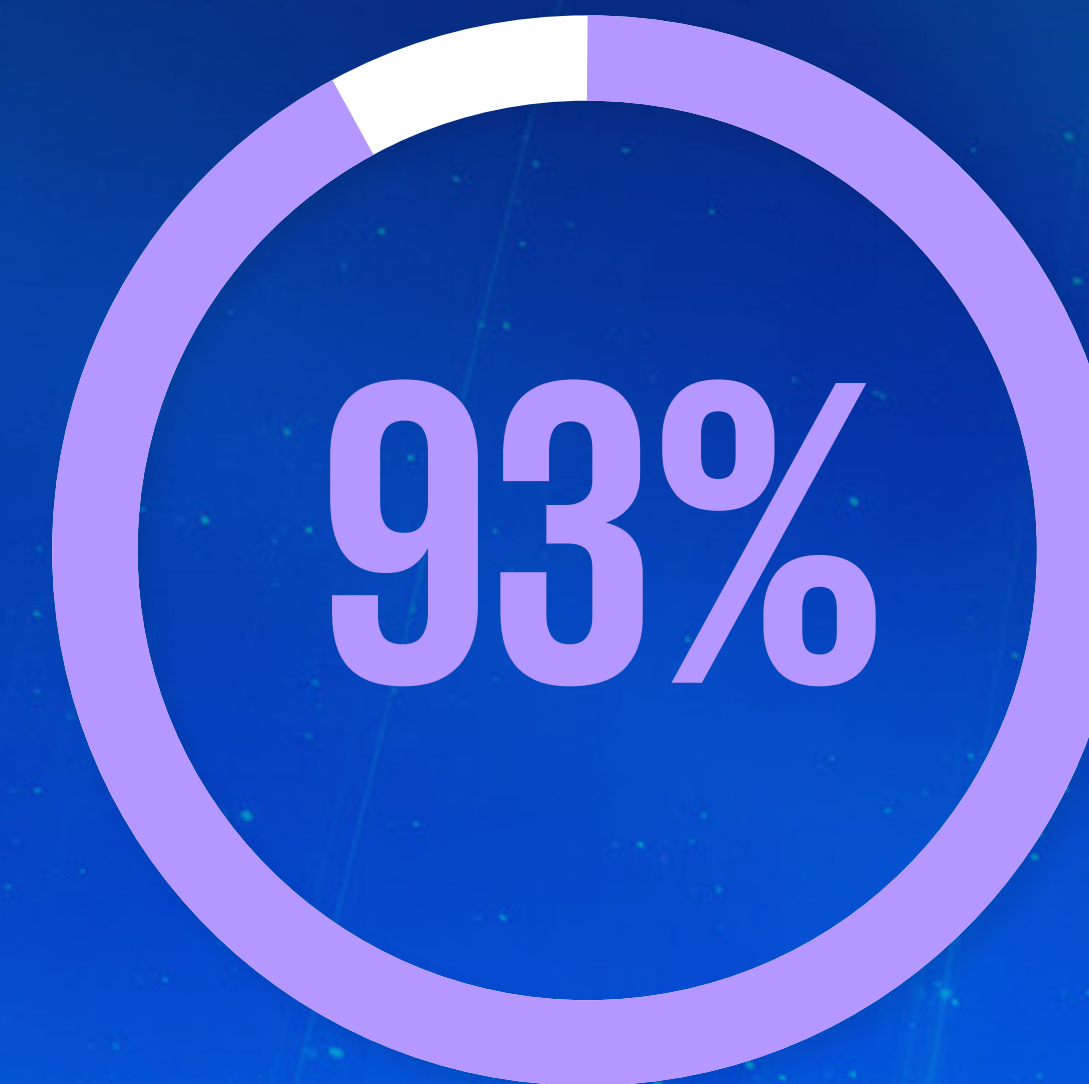
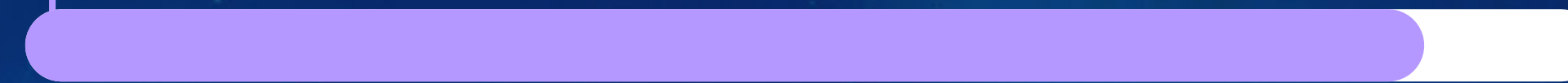
AI optimism, and specifically investment in American innovation, is sustaining economic confidence. AI agents are game changers and CEOs are going on offense to speed up implementation, choosing to mitigate risks on a parallel track. They are focused on innovating their business models, introducing new revenue streams and creating AI-enhanced products.”

— Tim Walsh, KPMG US Chair and CEO

When asked about their organization's ability to keep pace with the speed of AI development and its effects on adoption, operations or workflow, and the workforce, CEOs said they were:

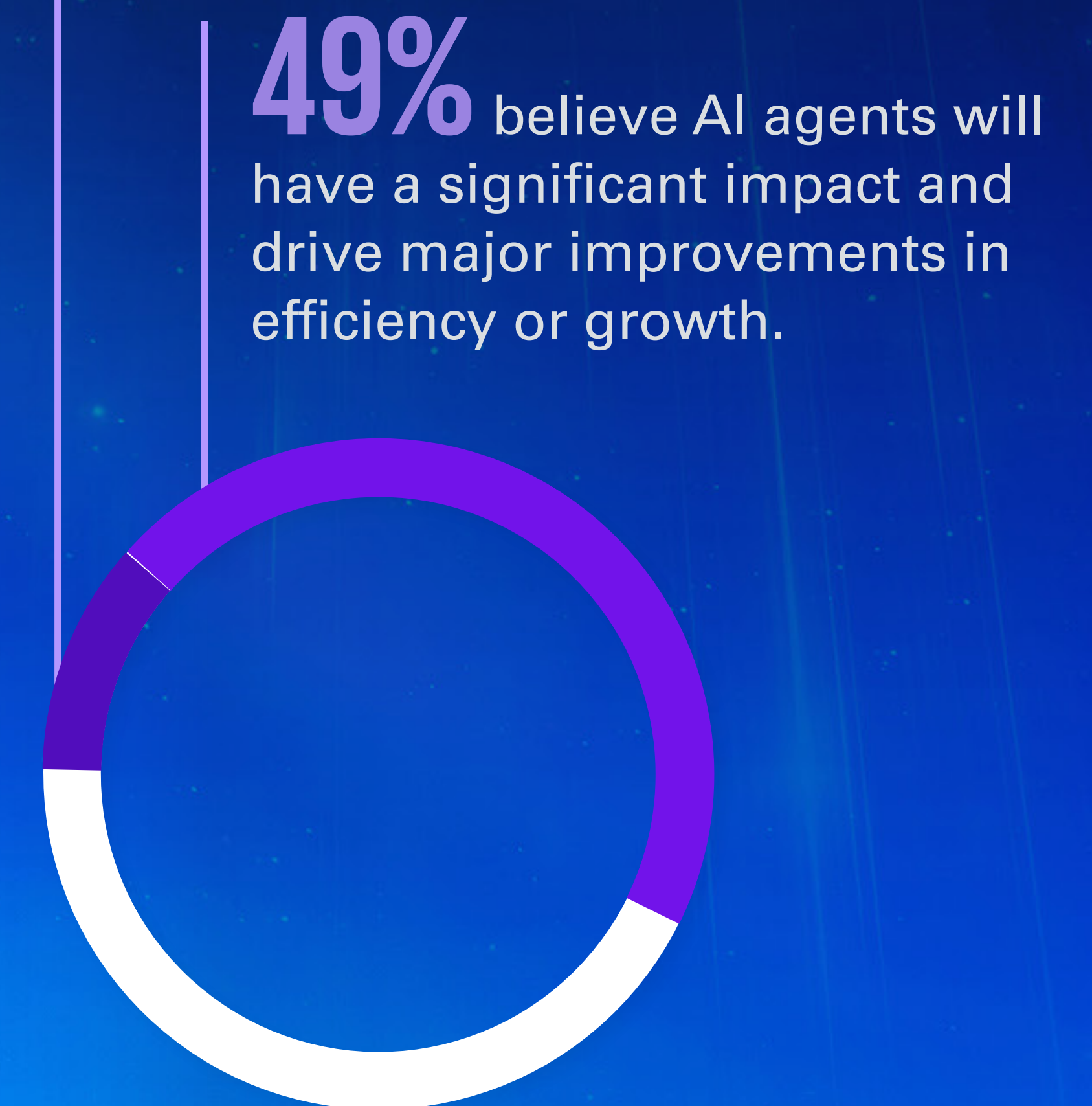


84% predict at least one native AI organization will be considered a leading company in their industry, displacing an existing incumbent, in the next three years.



believe their board is equipped to navigate the adoption of advanced technologies and the strategic use of data, including AI, to drive business growth within their organizations.

11% of CEOs believe AI agents will have a transformational impact and fundamentally change their operating model and how they manage their workforce.

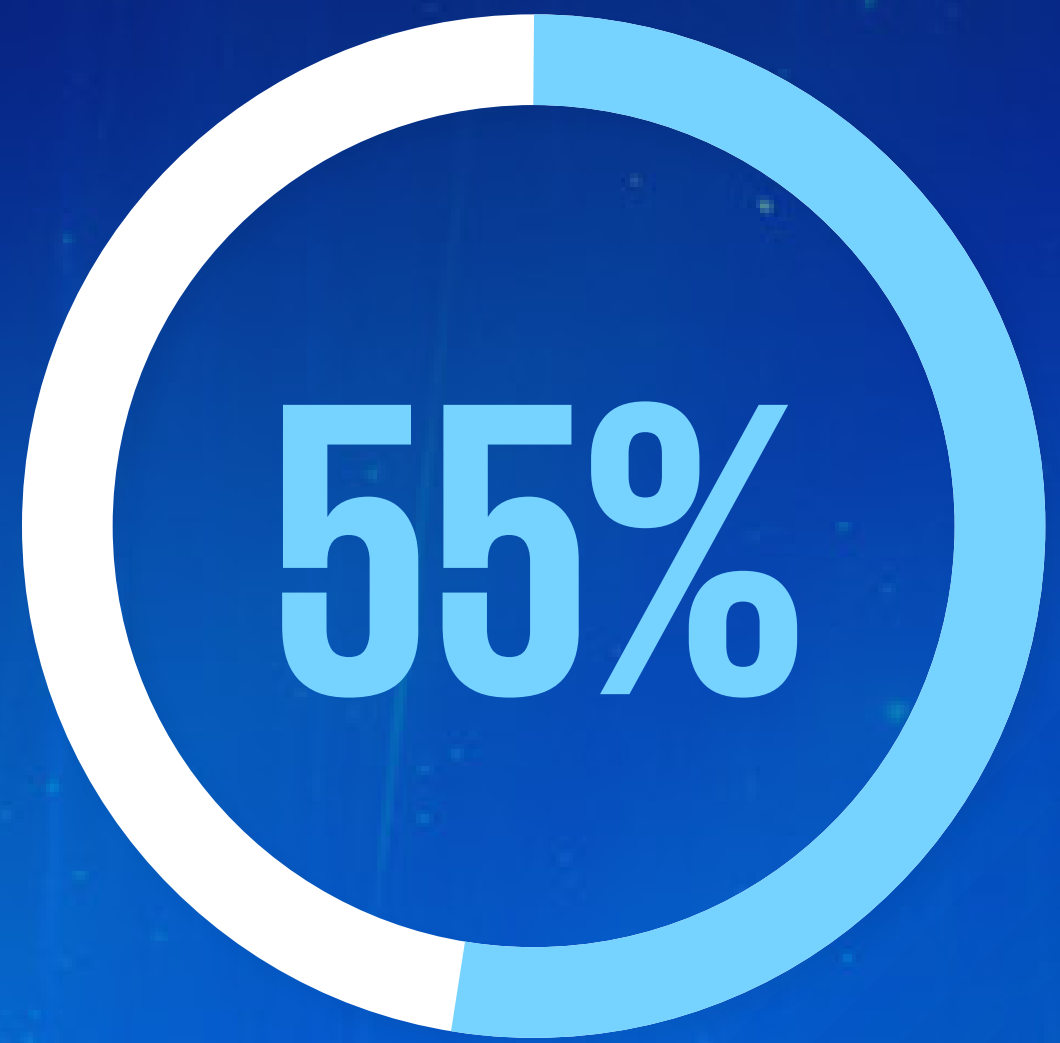
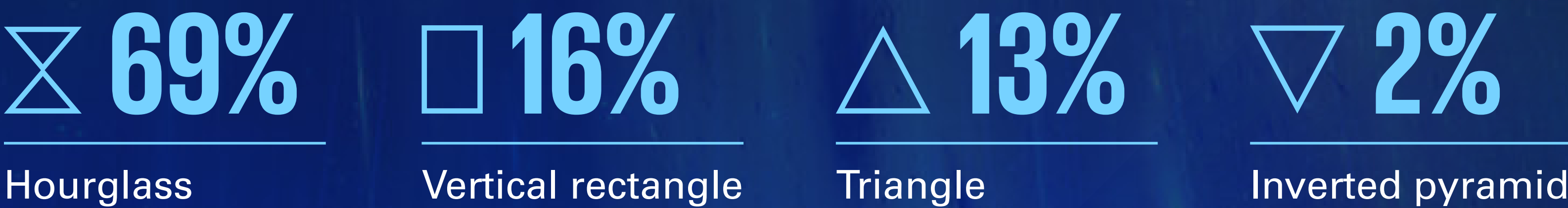


Talent and workforce

The impact of AI agents on the workforce is top of mind for CEOs. Most see a future where their organizations’ structural shape will be akin to an hourglass, but those expectations come with uncertainty and variation across industry.

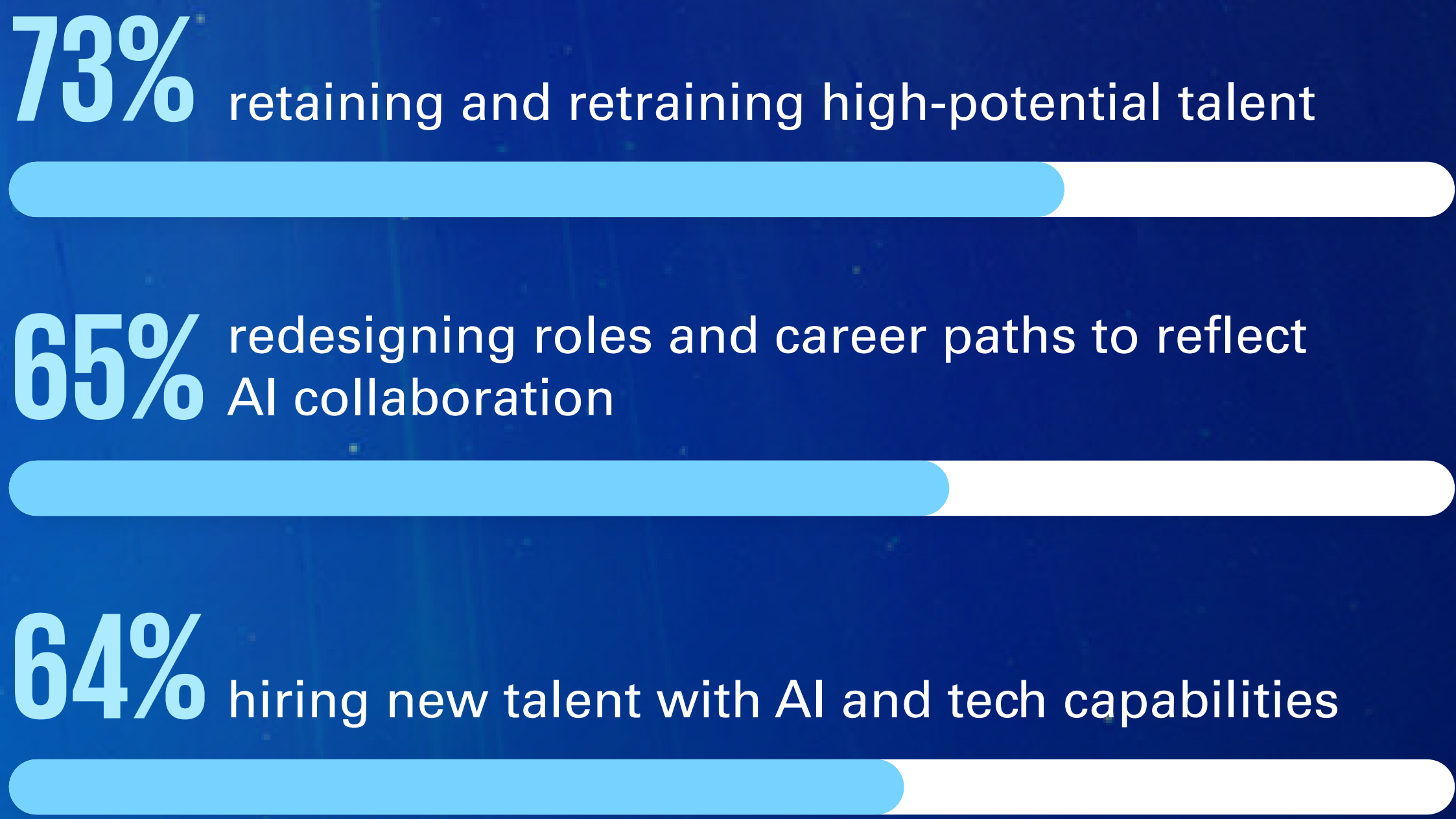


When asked how their organization’s structural shape will shift in the next three years, CEOs said:



are concerned about the impact of generative AI and AI agents on their company culture.

In response to AI, CEOs said the top change to their long-term workforce strategy is focusing on:



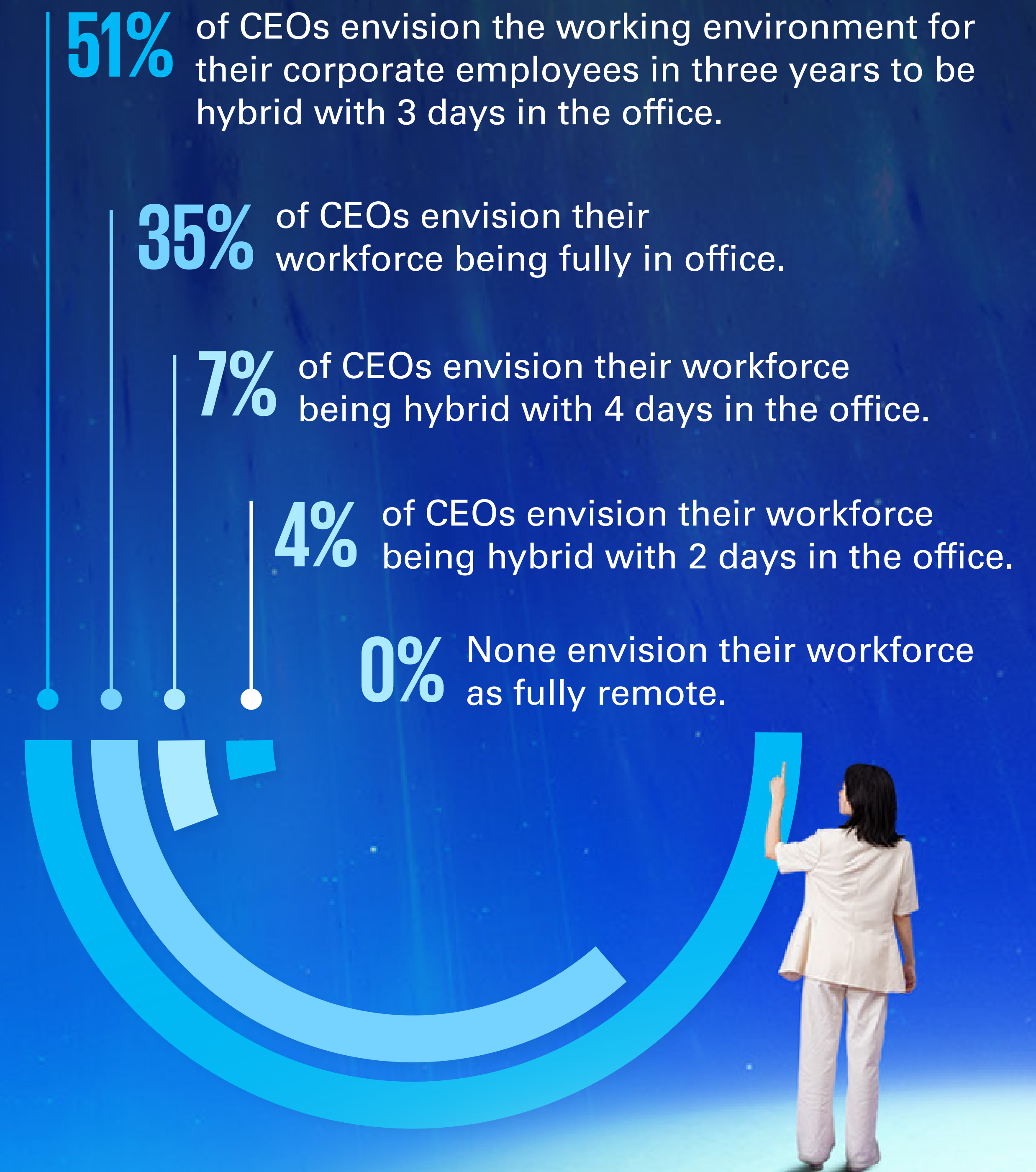
“CEOs are wrestling with the impact of AI agents on their workforce. They know their organization’s shape, size, and capabilities will change. But there remains considerable uncertainty about the destination. What’s abundantly clear is that AI agents will be embedded team members across organizations, underscoring the urgency to upskill employees and design systems to govern, manage and develop agents.”

— Tim Walsh, KPMG US Chair and CEO

35% said they were planning for workforce reductions in some areas over the next 2 to 5 years in response to AI.

50% believe managers in the business will be primarily responsible for managing the performance of AI agents rather than HR and IT departments.

86% said that, in roles outside of technology developers, managers in their organization will be expected to manage multiple AI agents as part of their role in the next year.



Leadership

CEO roles are increasingly multidimensional, and expectations are more expansive. CEOs feel under more pressure to position their organizations for long-term success.



61%

of CEOs say their role and what's expected of them has evolved significantly—with new expectations and greater complexity.

85%

of CEOs feel under more pressure to ensure the long-term prosperity of their business.

Leadership capabilities identified as the most essential for CEOs in a fast-changing and unpredictable environment:

- Stronger ability to lead transformation and culture change
- Increased transparency in communication
- Greater agility and faster decision-making under pressure
- Broader digital and technological literacy
- Stronger strategic foresight and scenario planning capabilities
- Ability to identify and prioritize risks and manage risks
- AI understanding and literacy
- Greater regulatory understanding



The business landscape is shifting under our feet and requires new skillsets and adaptability. Resilience and the ability to build trust are crucial. I personally feel a need to move with pace and purpose to advance KPMG's position as a leader in our profession and industry."

— Tim Walsh, KPMG US Chair and CEO



About the 2025 KPMG US CEO Outlook

The 2025 KPMG US CEO Outlook provides an in-depth three-year outlook from global executives on enterprise and economic growth.

The report surveyed 1,350 CEOs in 11 key markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Spain, UK and US) and 12 key industry sectors (asset management, automotive, banking, consumer and retail, energy, healthcare, industrial manufacturing, infrastructure, insurance, life sciences, technology, and telecommunications).

All respondents have annual revenues over US\$500M and more than one-third of the companies surveyed in the United States have more than US\$10B in annual revenue. The survey was conducted between August 5 and September 10.

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