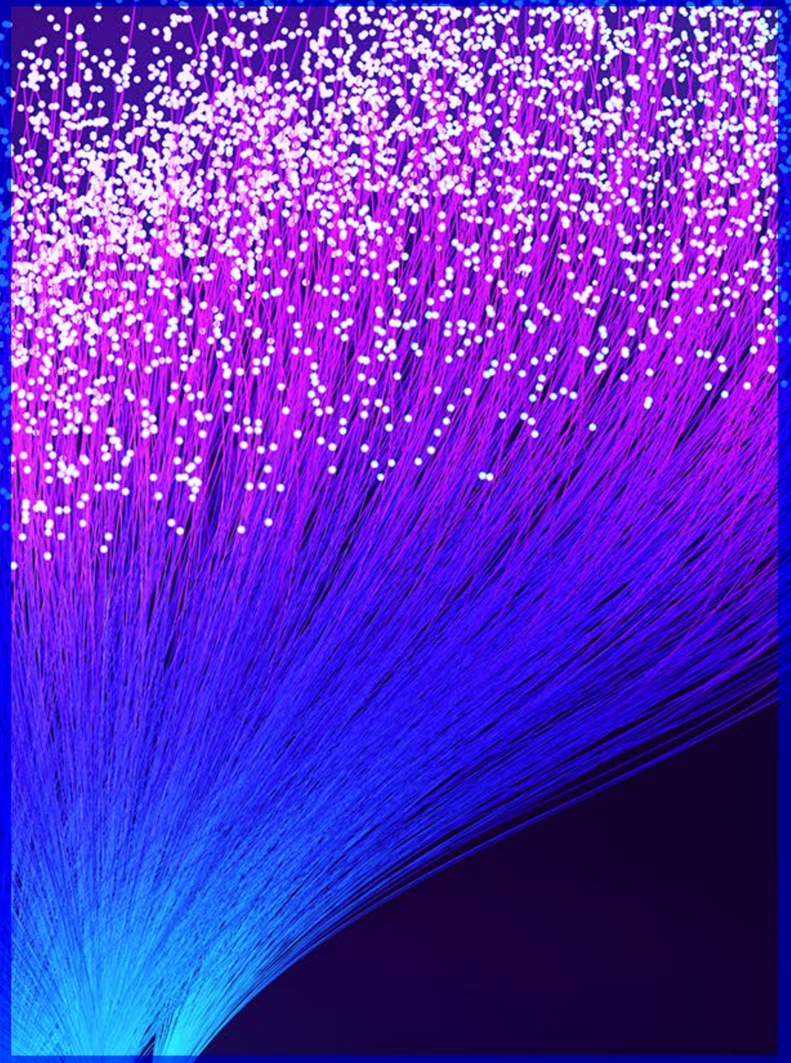
2026 KPMG US Technology Survey report

From automation to AI: Tech leaders are focused on ROI



The 2026 KPMG US Technology Survey reveals US firms leading in tech investments and are poised for growth. But challenges in scaling AI and tackling tech debt put a gap between ambitions and reality.

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Foreword

With rapid technological advancements and seismic shifts in the business landscape, organizations are grappling with the dual challenge of leveraging emergent technologies while bridging the gap between technological ambition and tangible outcomes.

The 2026 KPMG US Technology Survey offers insights into these dynamics, uncovering the aspirations, hurdles, and strategic adaptations of IT executives as they navigate the complexities of digital transformation. KPMG interviewed 2,500 global tech professionals, including 648 from the US, from companies with more than $100 million in revenue, spanning sectors including manufacturing, healthcare, technology, energy, financial services, consumer and retail, and government.

The survey found that the digital journeys of US companies both outpace the global average in terms of financial investment as well as in harnessing substantial returns from their efforts in digital transformation.

Despite this momentum, the data also reveals a persistent gap between the ambitions of these organizations and the actual progress of their technology implementation, which has slipped somewhat over the past year. Central to this discussion is the transformative potential and current challenges of artificial intelligence (AI), generative AI (GenAI), and agentic AI, which are reshaping priorities and redefining "maturity" in the tech ecosystem.

As US firms lead in adopting new technologies, they continue to contend with foundational challenges such as technical debt and IT budget constraints. The findings from the survey illuminate this paradox of significant investment alongside enduring structural issues. The survey also highlights the importance of agile, adaptive strategies and future-ready workforces, which are crucial to transforming technological investments into sustainable growth and innovation.

Looking to the future, organizations are planning to build AI-native enterprises, incorporate AI agents, and manage the opportunities and challenges of quantum computing.

The survey offers a picture of the current complexities of technology adoption and how organizations can realize the full potential of innovation in the years ahead.

> **"The data is pointing to this year being the year of ROI—not just AI, but technology overall."**
>
> **—Marcus Murph, US Technology Consulting Leader**

About the survey

Sample size

2,500 Global

648 US

Company size

$100 Million and over

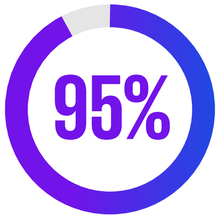
Sectors

Aerospace and defense | Automotive | Consumer and retail | Energy and extractives | Financial services | Government and public sector | Healthcare and life sciences | Industrial manufacturing | Logistics and transport | Media and entertainment | Technology | Telecom

Key findings

Ambition versus reality in tech transformation

US companies invest heavily in technology and see higher financial returns than global peers; only a small fraction have fully scaled and evolved their digital strategies.



US digital leadership

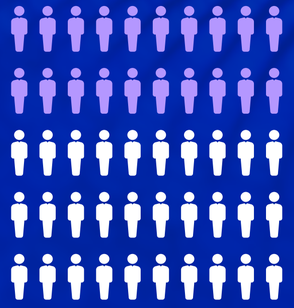
US firms achieve greater returns from digital transformation than the global average. Their optimism is high, with 95 percent expecting revenue growth in the next two years.

Tech debt and legacy systems

Cost constraints and legacy systems cause frequent IT glitches, affecting 40 percent of US firms. Over half say the cost of fixing tech debt prevents new investments. A back-to-basics approach is recommended before pursuing emerging technologies.

Challenges with tech implementation

Despite strategic investments, tech implementation remains difficult. Only **10 percent** of US firms report their tech implementation progress on average as fully scaled and continually evolving, down from 25 percent last year.



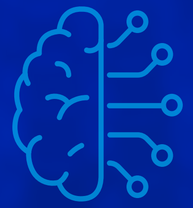
Workforce and talent gap

The IT talent gap is narrowing, but finding qualified workers, especially for AI, is still a challenge. Fifty percent say lack of talent is holding back digital transformation plans.

Only **40 percent** of respondents say their workers feel left behind by tech changes, down from 67 percent last year.

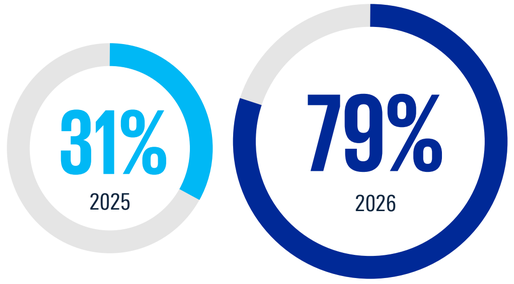
AI's impact and maturity

AI is reshaping the tech stack, with rapid innovation outpacing adoption. Business transformation promised by AI is still emerging; companies report some productivity gains but no major workforce reductions yet.



AI-first enterprise ambitions

US companies aim to become AI-first, integrating AI into every aspect of operations. Only 31 percent claim they are innovating and deploying AI use cases at scale, delivering ROI across multiple use cases, with 79 percent expect to reach that level by 2026. There's strong interest in agentic AI (as a system capable of perceiving its environment, making independent decisions, and taking actions to achieve specific goals with limited human supervision).



Quantum computing: the new frontier

Quantum computing is still immature, but leading firms are experimenting with the technology. Quantum is seen as both a threat (to current encryption) and a solution (for cybersecurity).

The gap between ambition and reality

In a climate of ongoing disruption and strong competition, technology investment alone does not ensure growth. This year's survey reveals a significant gap between organizations' goals and their success in implementing new technologies.

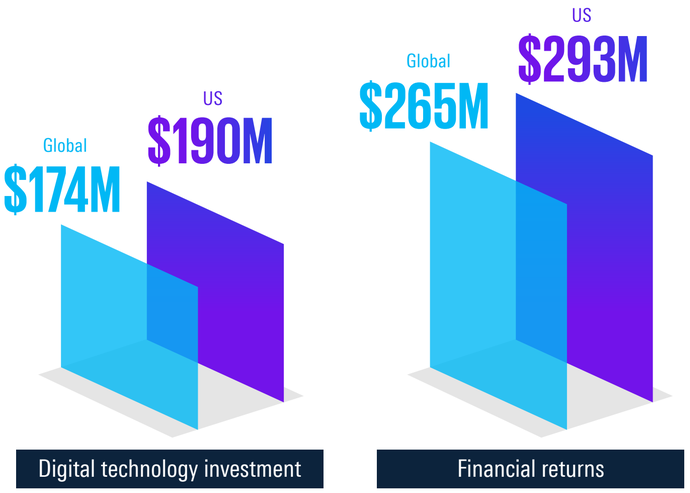
Digital journeys in the US outpace the global average financially

The digital revolution continues, with US companies investing heavily in the latest technologies. But more significantly, companies are seeing their tech investments pay off, achieving financial value from their recent digital transformation efforts.

> **From what we see in the market, organizations are finding tech implementations, particularly AI, more challenging than they anticipated, which accounts for the gap between ambition and reality."**
>
> **—Marcus Murph, US Technology Consulting Leader**

The explosive interest in and increased activity around GenAI is certainly a reason for the influx of dollars, but the survey reflects overall optimism about technology in general. Nevertheless, the report revealed a gap between what companies aspire to achieve and what they have actually accomplished.

The survey found that US organizations are investing more in digital technology than their global counterparts, $190 million annually for the US, on average, versus the $174 million global average. Additionally, US companies are getting higher financial returns from their digital tech investments than their global peers, likely due in part to cumulative investments over several years. According to the survey, US firms saw returns on average of $293 million in the past 12 months, compared to the global average of $265 million. US firms also maintain a highly optimistic outlook for the future, with 95 percent of US respondents saying they expect revenue growth over the next 24 months.



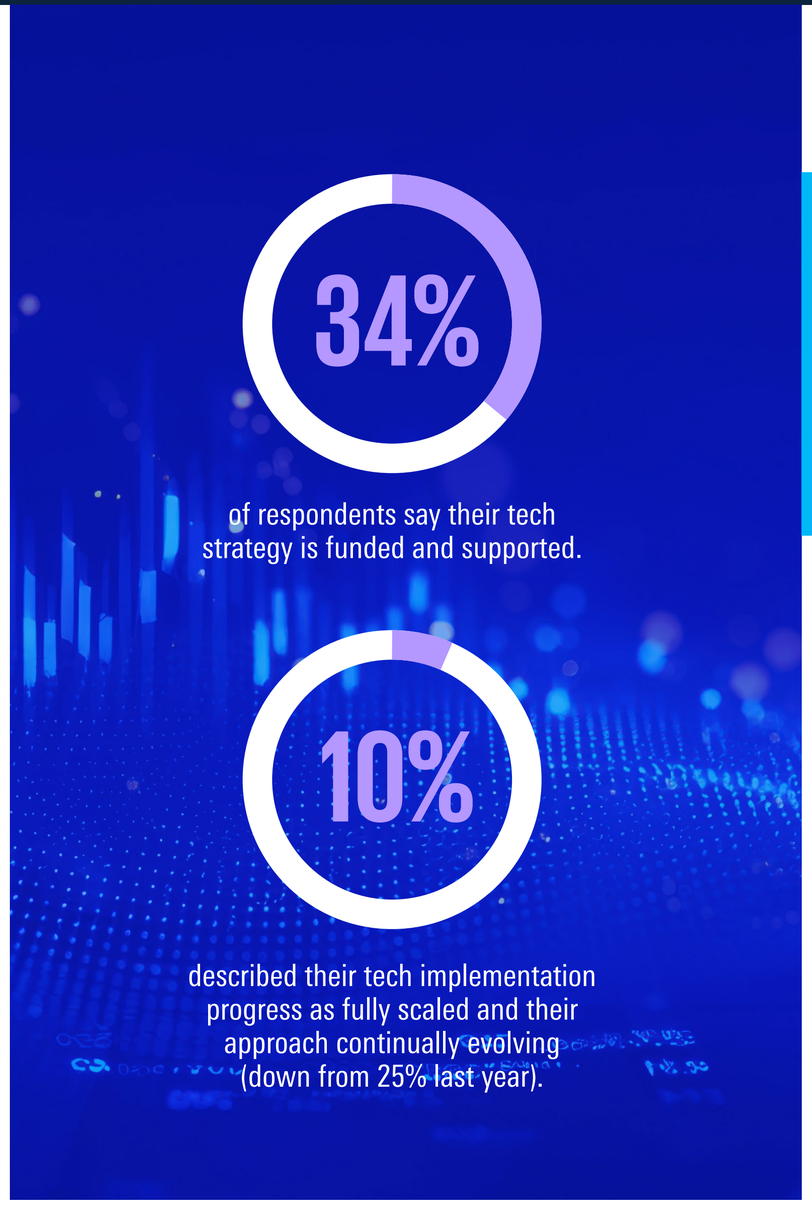
One reason firms in the US are outpacing the global average in digital transformation is their greater agility and focus on use cases and experimentation, especially in AI, compared to other regions that have greater regulatory controls and where companies are focusing on their governance structure.

A disconnect between aspirations and achievement

Although US firms exhibit strong confidence in their digital transformation efforts, the survey revealed a disparity between their technological aspirations and the tangible progress achieved in implementation.

More specifically, US firms' tech journeys have slipped back slightly year-on-year, especially in scaling AI use cases. While 34 percent of respondents say their tech strategy is funded and supported, only 10 percent—down from 25 percent last year—describe their tech implementation progress, on average, as fully scaled and their approach continually evolving. This technology includes AI and automation, data and analytics, cybersecurity, anything as a service (XaaS) technology, edge computing, digital twins, Web3, and postquantum cryptography.

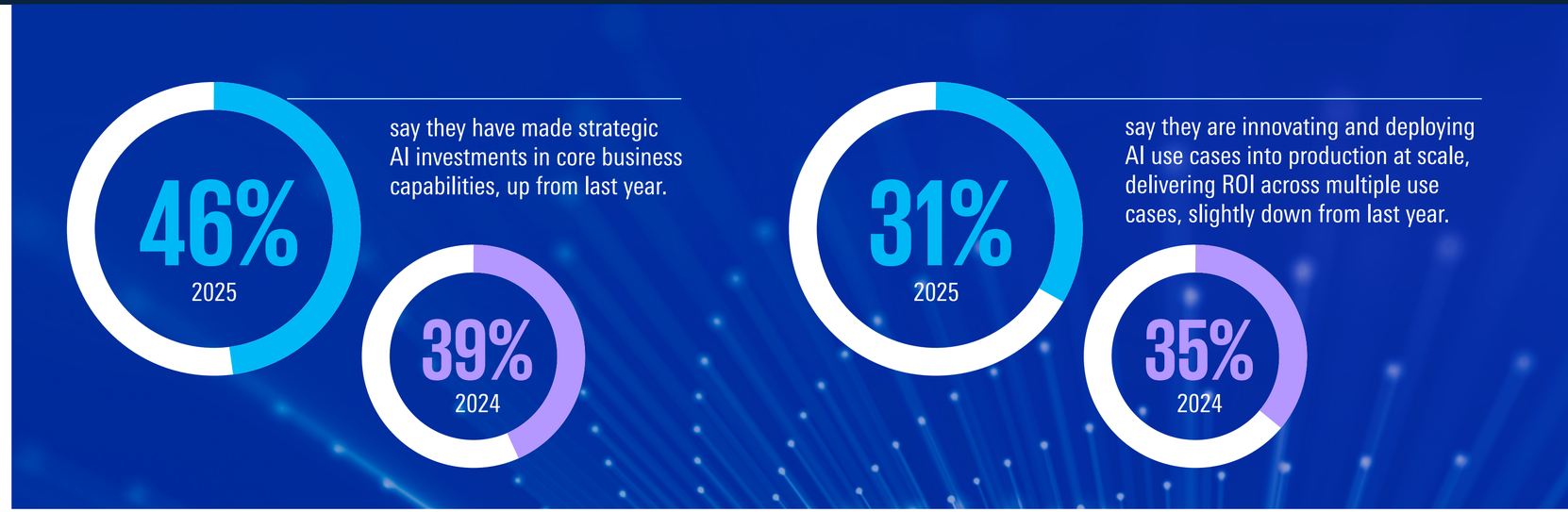
US executives can be heavily influenced by domestic tech giants, which drives higher ambition and sometimes more hype. But economic uncertainty, the changing US tariff policies, and shifting business priorities, are more likely reasons for the delay.



> **Generative AI was the inflection point for the AI cycle. Since then, the deployment curve has become very steep. The innovation and capabilities that would have taken us 5 or 10 years to implement, we can now achieve in six months or a year."**
>
> **—Matteo Colombo, Principal, Technology**

AI has increased productivity, but it hasn't fundamentally changed the way companies do business, yet."

—Gary Plotkin, Principal, Technology



Also, the rapid evolution of GenAI to agentic AI has shifted the goalposts about what "mature" means, causing organizations to pause and reconsider their digital transformation strategies. At the same time, companies are finding that these projects are much more complex than anticipated, especially regarding data modernization, security, and accuracy. This complexity has led to cautious adoption, particularly within core business functions, as companies are unsure if the technology is mature enough for large-scale deployment.

These observations are borne out by the survey results. Among respondents, 46 percent say they have made strategic AI investments in core business capabilities, with some use cases running actively across the organization that are returning business value (up from 39 percent last year). However, only 31 percent say they are innovating and deploying AI use cases into production at scale, delivering return on investment (ROI)across multiple use cases (down slightly from 35 percent last year).

The fact that AI is deeply shaping the tech stack is undeniable, with technologies like SaaS, digital twins, and quantum computing increasingly tied to AI advancements. The pace of AI innovation is steep; capabilities that once took years now emerge in months, leading to a widening gap between innovation and adoption. Most AI investment is still going toward infrastructure, not just software. For instance, data centers are being reimagined to support AI at scale, keeping cost pressure high on infrastructure while software costs decline.

Moreover, the actual business transformation promised by AI has yet to be realized. AI is being deployed in two distinct applications: AI for business process transformation (human interaction, data insights) and AI for IT strategy/ engineering (developer productivity, system automation).

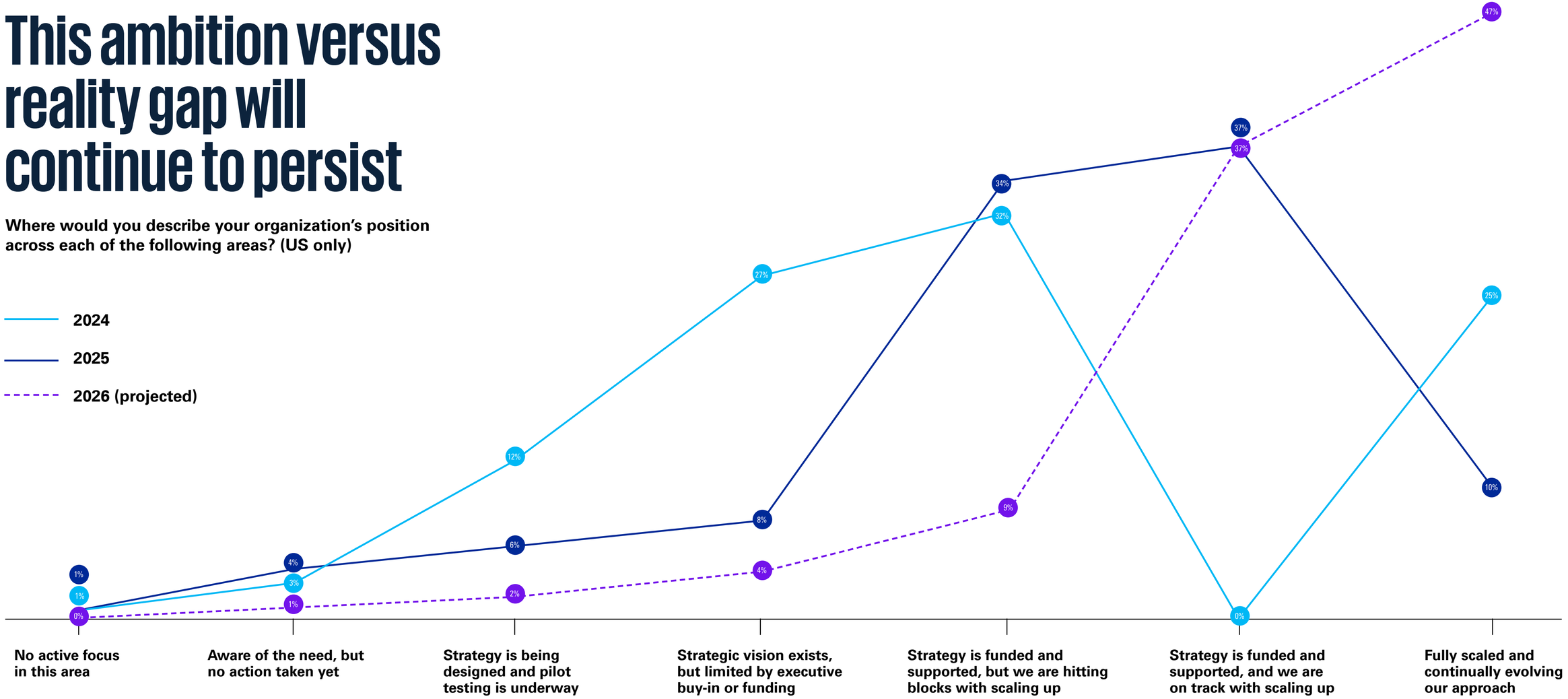
Both are important, but neither has fundamentally changed business operations yet. And while widely available GenAI enterprise applications have increased productivity, they haven't revolutionized business processes or led to significant workforce reductions.

10% say their tech implementation is fully scaled now. **47%** expect to be there by 2026.

Indeed, while our survey found that only 10 percent of US firms say their tech implementation is fully scaled and continually evolving now, 47 percent expect to be at that point by 2026. We believe that projection may be overoptimistic given the need for incremental validation that may temper progress, with full capabilities likely emerging closer to 2027–2028.

This ambition versus reality gap will continue to persist

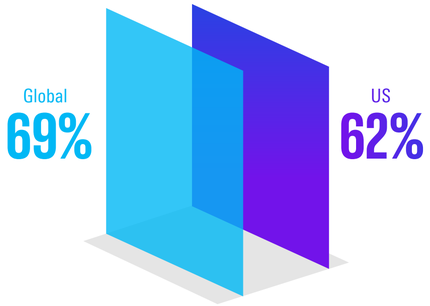
Where would you describe your organization's position across each of the following areas? (US only)

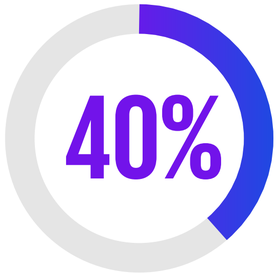


Tech debt remains a barrier

As companies move forward with digital transformations and AI implementations, they still face some perennial hurdles. IT budget pressures remain a concern, with companies under pressure to do more with less. At the same time, companies are cautious due to market uncertainty.

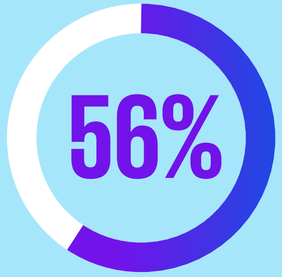
In our survey, 62 percent of respondents say they aim to be as cost-effective and fast as possible, but that demands trade-offs that negatively impact other areas, such as security, scalability, and data standardization.





Related to cost constraints, US organizations are also experiencing more frequent IT glitches due to older legacy systems. Although our survey found that weekly disruptions from flaws in foundational enterprise IT systems dropped by 18 points from last year's survey, they still affect 40 percent of US firms surveyed.

> "The idea of tech debt is everywhere now, with every client planning and executing on reduction initiatives. With GenAI, we now have a new toolkit to address tech debt faster and cheaper."
>
> —Jeoung Oh, Principal, Technology



say the cost of fixing technical debt is preventing them from making investment in new technology programs.

> "AI is not necessarily solving tech debt. We'll continue to see tech debt playing a role in day-to-day IT performance."
>
> —Matteo Colombo, Principal, Technology

Tech debt is a widespread concern, caused by underinvestment in refreshing infrastructure and applications, leading to legacy systems and end-of-life technology. In addressing tech debt, companies are trying to balance legacy remediation with new capabilities, often leveraging AI on top of existing systems. But foundational IT issues—like technical glitches—continue to hold organizations back. Fifty-six percent of respondents say the cost of fixing technical debt is preventing them from making investment in new technology programs.

Before pursuing emerging technologies, organizations should consider a back-to-basics approach to address foundational IT issues and tech debt. That should include a renewed interest in returning systems to baseline to better leverage new AI capabilities.

Building adaptive strategies

Organizations require adaptable strategies to achieve their tech goals in complex, unpredictable environments.

Proactive versus reactive: US businesses are more resilient to change

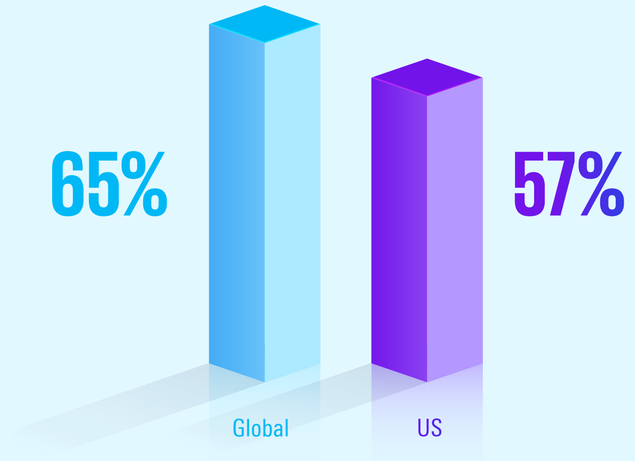
Organizations face constant challenges from market volatility, unpredictable economies, and shifting regulations. With disruption all around, it's essential for businesses to actively manage and adapt to these uncertainties.

> **Because technology is evolving so quickly, companies aren't spending more on what they already bought. Instead, they are investing more on innovation."**
>
> **—Matteo Colombo, Principal, Technology**

Our survey found that most US businesses struggle to predict the market and are impacted by market shifts. One reason: inadequate scenario planning.

Among respondents, 57 percent say that ineffective forecasting or scenario planning has led to negative consequences in how they respond to market shocks, regulatory changes, or technology shifts. (This result was less than the global average of 65 percent.)

However, poor scenario planning is often less about organizational failure and more about an unpredictable environment. Five-year plans rarely play out as expected due to shifting priorities and external demands. Moreover, many organizations lack mechanisms to track progress against strategic plans, making intelligent pivots challenging.



> **Anybody can put a plan on paper. Knowing how you're doing against it and pivoting intelligently is a bigger challenge."**
>
> **—Gary Plotkin, Principal, Technology**

Building a workforce in the digital age

Finding the right talent has been a longtime challenge for many IT departments. Although our survey suggests that the talent gap is narrowing, the need for qualified technical workers remains a pressing problem, particularly with the growth of AI. More broadly, organizations are grappling with how to get their employees comfortable and proficient with new technologies. Will that mean simply having to leave some workers behind?

In our survey, 50 percent of respondents say their organizations would like to digitally transform over the next 24 months, but lack of access to the talent they need is preventing them from bringing these plans to life.

While these results show a 10-point improvement over last year, the IT talent gap remains a significant issue. And again, the expansion of AI is the driving reason. The initial belief that AI would be a plug-and-play commodity has shifted, with technical skills being crucial for deploying and scaling AI. In fact, the technical talent needed for AI projects is likely to increase, due to the rapid evolution of tools and technologies.

And there are other workforce complications IT leaders must address. For example, companies are having to adapt to generational changes in attitudes toward work, especially among junior hires. In addition, companies are increasingly looking offshore for talent, but government visa restrictions complicate access to global resources.

Do you agree with this statement:

"We have great ideas around how we would like to digitally transform over the next 24 months, but we don't have access to the talent we need to bring these plans to life."

"While we are seeing it narrow, the talent gap still exists. With new tools and capabilities coming out every day, it can be difficult for people to keep up."

—Jeoung Oh, Principal, Technology

Upskilling for the future

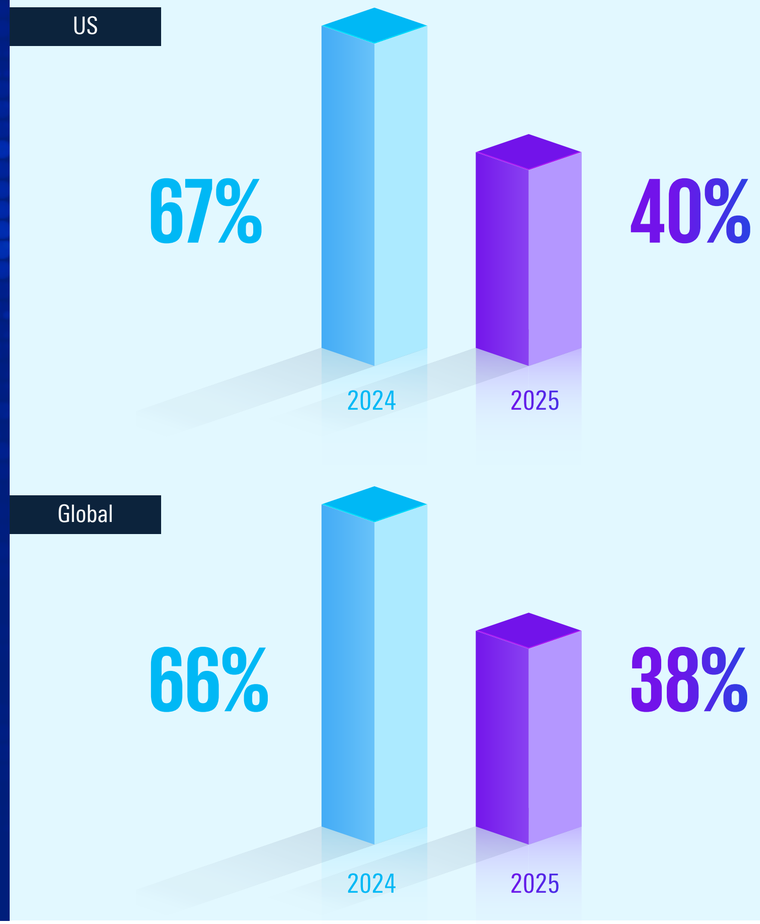
While finding the right tech talent remains a challenge, organizations must also address how their existing workforce is adapting to the rapid changes in the technology landscape. By now, most employees have had some experience with GenAI in one form or another, and some are incorporating the technology into their daily work in varying degrees. The increasing focus on agentic AI—which holds out the promise of creating virtual employees—adds a new element to the state of play.

Employees' willingness to learn and experiment with AI is crucial for those who master new technologies and gain a competitive edge. And according to our survey, US workforces are taking the AI revolution in stride.

Only 40 percent of respondents say that some of their employees are feeling left behind in the ever-changing tech landscape. That's a significant drop from the 67 percent response from last year. Moreover, 76 percent of respondents say that their employees trust the outputs of AI systems enough to inform their strategies or operational decision-making—higher than the global average of 63 percent. This is possibly due to earlier adoption of responsible AI frameworks and the influence of major US AI players.

Do you agree with this statement:

"Some of our employees are feeling left behind in the ever-changing tech landscape."



New frontiers

For 2026 and beyond, how are organizations approaching the development of AI-native enterprises to derive both near-term and long-term benefits from emerging technologies?

US companies' lofty ambition to achieve the AI-first enterprise

Implementing AI and GenAI throughout the enterprise has become a major priority for US companies.

100%

of US respondents say that by the end of 2026, AI will transition from an efficiency enabler to a revenue-driving innovation, (5 percentage points higher than the global average).

Efficiency remains the top driver for AI adoption, but new revenue streams and an 'AI-first' mindset are gaining ground."

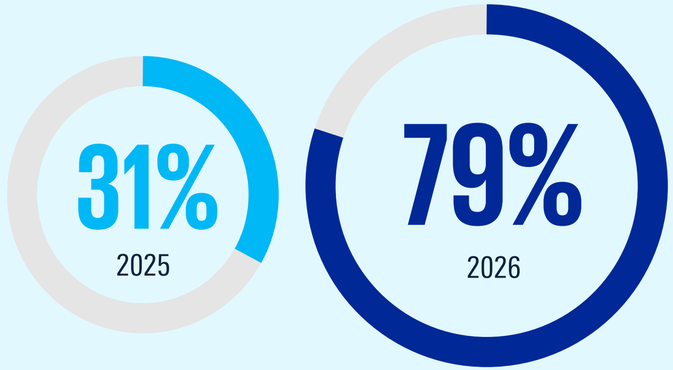
—Matteo Colombo, Principal, Technology

Already we've seen a shift from narrow use cases to broader, transformative AI initiatives. The goal for many is to become an AI-native company that is fundamentally built around AI, integrating it into every aspect of its operations, products, and decision-making processes from the ground up.

That's a tall order, and as we've seen in early sections of this report, AI implementation is proving more challenging than companies originally expected.

Nevertheless, our survey found that US organizations have high ambitions for AI: 31 percent of respondents say that they are innovating and deploying AI use cases at scale, delivering ROI across multiple use cases, with 79 percent expecting to be at that level by end of 2026. There is also a strong appetite for agentic AI, a system capable of perceiving its environment, making independent decisions, and taking actions to achieve specific goals with limited human supervision. Essentially, an AI agent is not just a tool that assists a user (like a simple chatbot) but a digital worker that acts on behalf of the organization to execute tasks and workflows.

31 percent of respondents say that they are innovating and deploying AI use cases at scale, delivering ROI across multiple use cases, with 79 percent expecting to be at that level by the end of 2026.



The report found that 92 percent of US organizations are already investing in building agentic AI into their systems, as they plan to move to a hybrid human and digital workforce. And 93 percent say managing AI agents will become an important skill within the next five years.

However, a few factors may temper this enthusiasm. As mentioned earlier, tech debt and foundational upgrades must be addressed before emerging technologies can have significant operational impact. Likewise, some organizations have a lack of confidence, capability, and readiness of tools and data to proceed with such ambitious plans.

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93%

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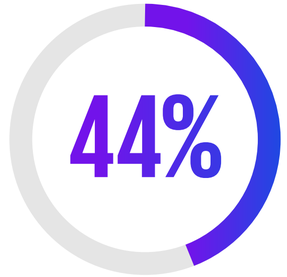
Cost concerns have hindered emerging tech investments to date

How quickly and how extensively an organization can implement its digital transformation is, of course, highly dependent on resources.

Although technology investments are increasing, cost pressures are still leading to an underinvestment in emerging tech. In our survey, 44 percent of US respondents say that they aim to make their tech program as cost-effective and fast as possible, but to do so, they must make trade-offs that negatively impact other areas, such as security, scalability, and data standardization.

On the other hand, our survey found that US businesses plan to increase IT budgets, focusing on emerging technology and rapid innovation rather than maintaining existing systems.



of US respondents say that they aim to make their tech program as cost-effective and fast as possible, but to do so, they must make trade-offs that negatively impact other areas.

81% AI and automation

81% Cybersecurity

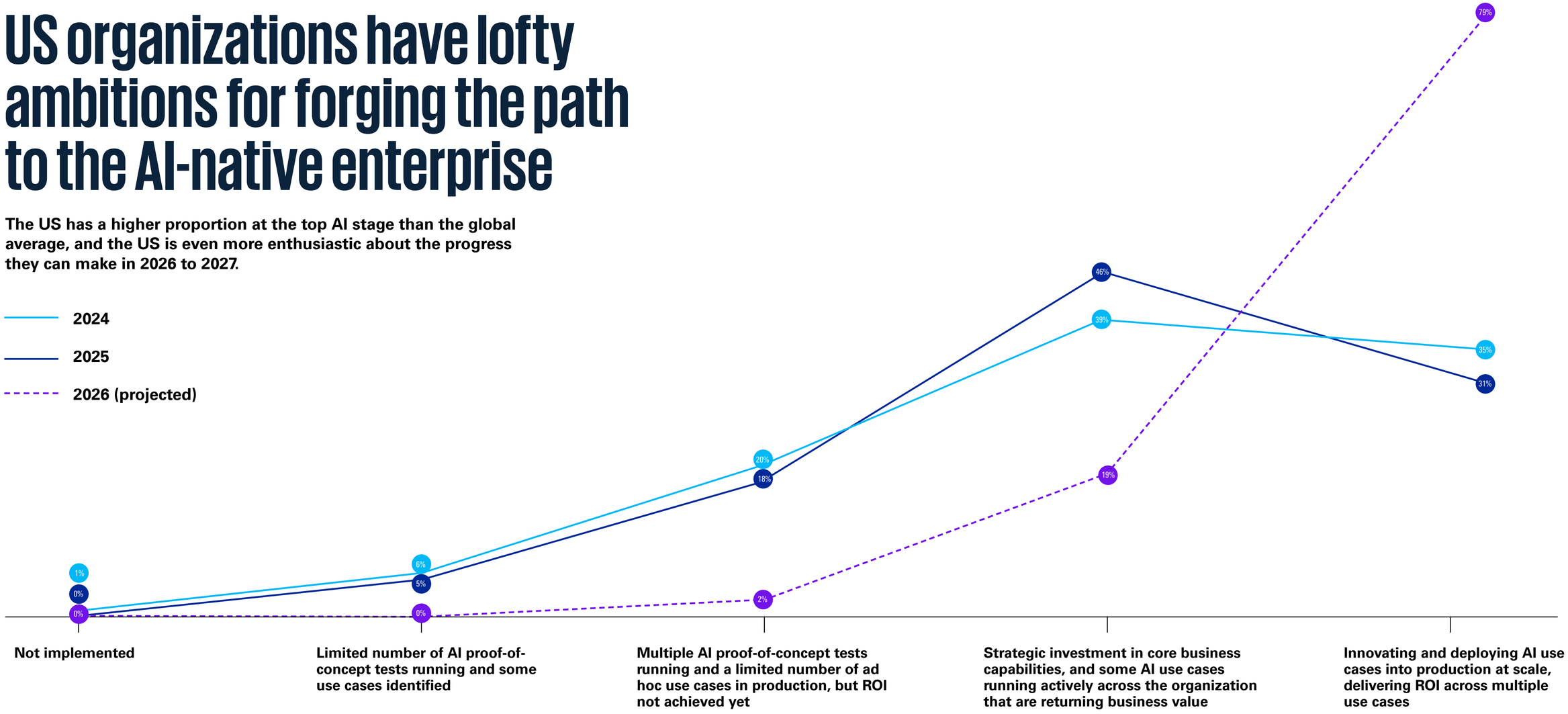
78% Data and analytics

78% Advanced simulation/digital twins

The majority of US organizations are increasing their tech budgets over the next 12 months.

US organizations have lofty ambitions for forging the path to the AI-native enterprise

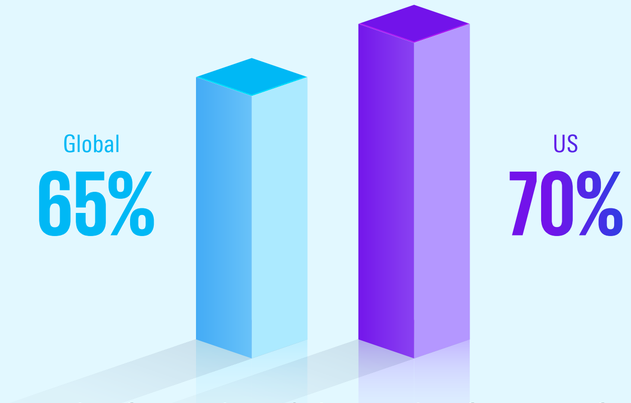
The US has a higher proportion at the top AI stage than the global average, and the US is even more enthusiastic about the progress they can make in 2026 to 2027.



Companies diligently track tech performance

As companies move forward with the implementation of new technologies, US organizations are detail oriented in tracking tech performance and formally evaluating emerging tech.

Among respondents, 70 percent of US organizations say they frequently track the actual performance of tech initiatives against business plans and projections, 5 percentage points above the global average. Also, 85 percent of US organizations say they frequently follow established, formal processes to evaluate and adopt emerging technologies (e.g., agentic AI, digital twin, spatial computing, quantum computing) to drive future innovation and growth, 7 percentage points higher than the global average.



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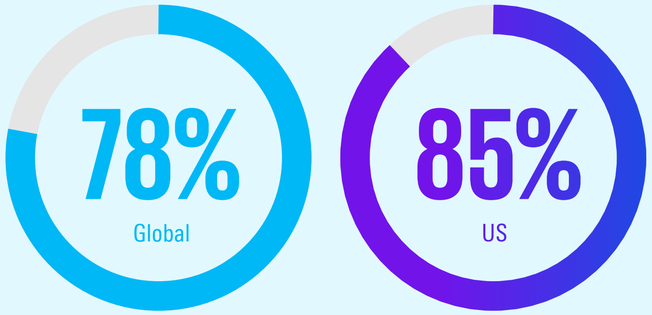

say they frequently follow established, formal processes to evaluate and adopt emerging technologies (e.g., agentic AI, digital twin, spatial computing, quantum computing) to drive future innovation and growth.

Organizations experiment with quantum capabilities

Quantum computing—an advanced field of computer science that leverages the principles of quantum mechanics to solve complex problems that are beyond the capabilities of classical computers—is the newest frontier in the tech landscape.

It is far from mature, but leading firms are experimenting with the technology, with many planning for quantum computing and postquantum cryptography.

While quantum computing promises to be able to solve problems beyond the ability of even the most powerful classical computers, it also raises its own set of cybersecurity concerns. Using the power of quantum computing, bad actors can more easily threaten current encryption standards. However, most US organizations feel content with their security defenses in relation to the threats posed by quantum computing.

53%
of US organizations in general are **not worried**

2%
of US high performers **are worried**

60%
of nonleaders in the US **are worried**

Key takeaways

Here are some takeaways for organizations to consider:

01

Prioritize foundational IT improvements

Conduct a comprehensive assessment of existing IT infrastructures to identify areas of technical debt and legacy system vulnerabilities. Prioritize these foundational improvements to create a solid base for implementing emerging technologies like AI and quantum computing.

02

Invest in talent and upskilling

Develop robust training and upskilling programs that focus on AI and other emerging technologies. Collaborate with educational institutions and tech communities to cultivate a pipeline of tech talent and implement strategies for continuous learning and talent retention.

03

Enhance data management and security

Focus on modernizing data infrastructure to ensure seamless integration with new technologies. Strengthen cybersecurity measures to address risks associated with advanced technologies like quantum computing, ensuring the protection of sensitive data and systems.

04

Promote a culture of innovation and experimentation

Encourage innovation by fostering an internal culture that supports experimentation and risk taking. Allocate resources for pilot projects in AI, GenAI, and quantum computing, allowing teams to experiment, learn, and refine approaches before scaling solutions organization-wide.

05

Develop clear ROI metrics and tracking

Establish clear metrics for assessing the ROI of tech initiatives. Use these metrics to regularly track progress and make data-driven decisions, ensuring alignment between technology investments and broader business objectives.

Conclusion

As organizations pursue digital transformations, they are increasingly focused on leveraging new technologies to drive growth. However, despite their significant financial investments and the promise of transformative technologies, many US firms are grappling with the challenges of scaling and fully implementing these innovations in line with their expectations.

Despite US companies' substantial digital investments outpacing the global average, only a small fraction report fully scaled digital technology operations, and scaling AI remains particularly elusive. The promise of AI in reshaping productivity and business processes is undeniable, but full realization of its potential is hindered by challenges in data modernization, security, and integration with legacy systems.

A significant barrier to these ambitions is the enduring issue of technical debt. Many organizations are caught in a cycle of maintaining and upgrading outdated systems, which can delay realizing the potential benefits of new technologies. As a result, a strategic back-to-basics approach that prioritizes foundational IT improvements may be necessary to unlock future gains from AI and other emerging technologies.

Talent shortages remain a concern, particularly in specialized areas like AI development and implementation. However, workforce adaptability and upskilling efforts are helping mitigate some of these issues.

Looking forward, US companies demonstrate a strong commitment to innovation, aiming to shift the role of AI from merely enhancing efficiency to becoming a significant driver of revenue by 2026. Quantum computing is also emerging as an important area of development.

Although obstacles persist, US companies' dedication to innovation and strategic flexibility may enable them to effectively narrow the divide between their goals and actual outcomes in the future.

The promise of AI in reshaping productivity and business processes is undeniable, but full realization of its potential is hindered by challenges in data modernization, security, and integration with legacy systems.

How KPMG can help

At KPMG US, we understand that business leaders look to technology to enhance operational efficiency, enable data-driven decision-making, improve customer experiences, foster agile workforces, optimize supply chains, and strengthen resilience. We know it's crucial for organizations to align technology initiatives with overall business goals to truly succeed in today's fast-paced environment.

For over a dozen years, we've built a leading technology organization, powered by more than 15,000 dedicated technology leaders and professionals, specifically designed to help both IT and business leaders thrive at the accelerated pace business now demands. Unlike business-only consultancies, we bring battle-tested tools, deep engineering skills, and strategic alliances with leading technology companies. And unlike technology-only firms, we offer robust business credentials and sector experience, committed to delivering measurable business results, not just technical solutions.

Whether we're helping you implement AI, improve data and analytics, enhance cybersecurity, leverage cloud technologies, deploy a new technology, or outsource challenges with our managed services, you can count on us to help deliver solutions quickly and effectively.

That's speed to modern technology.

Leaders

Marcus Murph
US Technology Consulting Leader,
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