Grant Thornton

REPORT

TECHNOLOGY ENABLEMENT

Unleash tech's full potential

Transform for growth, efficiency and resilience

A comprehensive guide for getting the most out of your transformation

Introduction

Technology transformation is bringing sweeping changes to virtually every corner of the business environment.

From generative AI and cybersecurity to ERP and customer relationship management, new technology tools are enabling organizations to get better predictive insights, protect their most important assets, operate more efficiently, and customize products and services.

Respondents to Grant Thornton's Digital Transformation Survey expect their technology improvements to deliver results in the most critical areas of their business this year. Sixty-three percent ranked reduced operational costs among the top three metrics they're measuring for tech impact, while 42% cited increased revenue as a key metric.

"I expect digital transformation to fundamentally reshape how we operate over the next year, especially by integrating AI-driven solutions more deeply in our daily processes," a technology and telecommunications industry chief strategy officer said in our survey.

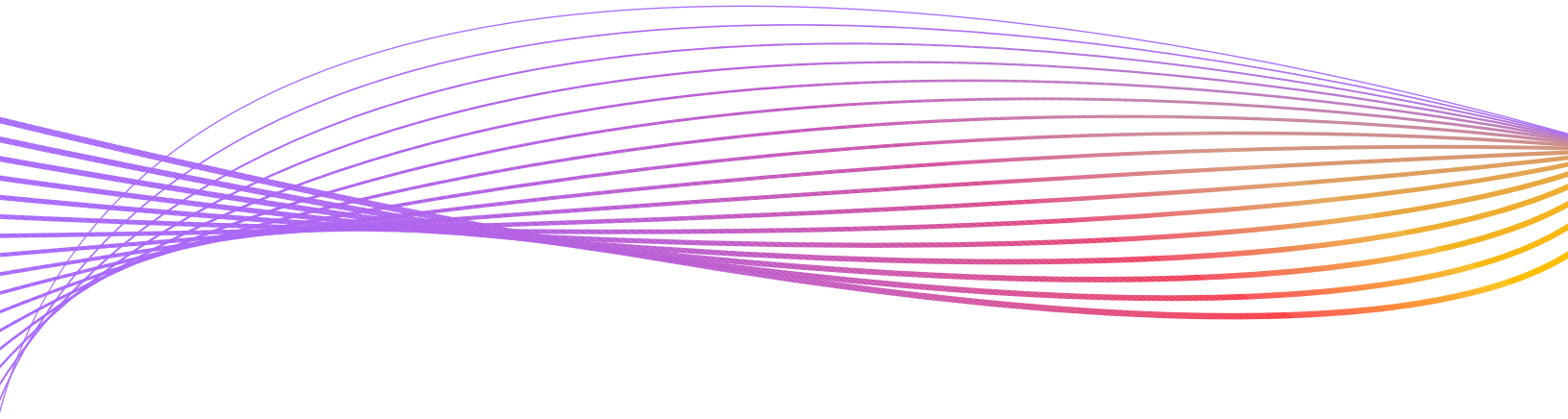
This publication provides a full picture of tech-enabled benefits by bringing together Grant Thornton's three previously released Digital Transformation Survey reports, which highlighted how technology:

- Delivers transformative growth
- Stimulates efficiency and profitability
- Improves resilience and compliance

The survey data shows how executives are implementing this technology, and commentary from key Grant Thornton professionals demonstrates how leaders can chart a course toward maximum benefits from their tech investments.

"Leadership needs to be aligned on the case for change and why they're doing this," said Grant Thornton Business Consulting Director Rob Ginzel. "Leaders should be equipped with an understanding of what to expect and actively sponsor the transformation throughout the entire journey."

See how your organization can get the most out of its technology journey, with enhancements that can deliver growth, efficiency, compliance and resilience.



Grant Thornton

REPORT

TECHNOLOGY ENABLEMENT

Shift your tech strategy

Turn tech enablement into reliable growth

Executive summary

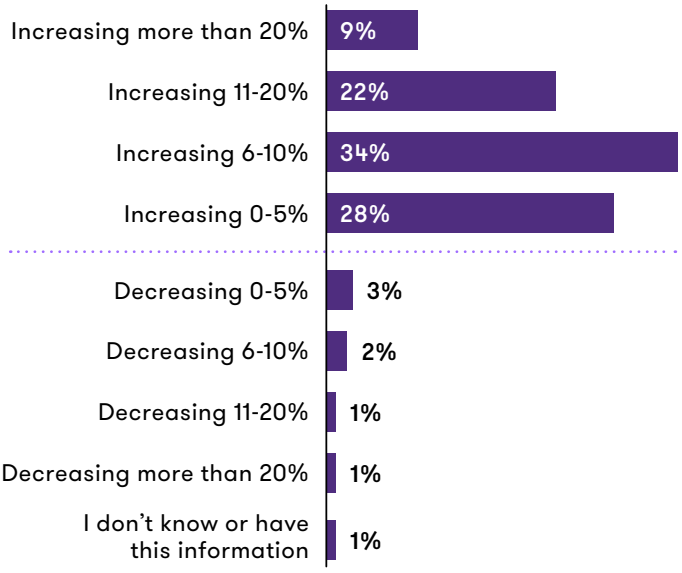
Most business leaders — 93% in our survey — are investing more in technology, but only 27% say their technology is fully aligned with business goals.

While almost everyone is investing in technology initiatives, the resulting technology is often ill-suited to meet business needs, according to the Grant Thornton Digital Transformation Survey of more than 550 executives. To fix that disconnect, companies must approach AI, blockchain, quantum and other digital transformation initiatives with disciplined customer alignment that converts technology investments into revenue growth. It's time for a pragmatic, cross-functional integration of technology and business priorities.

Our survey revealed five core shifts that are essential for transforming technology investments into sustained growth at a time when macroeconomic pressures — tariffs, weak consumer confidence and tech disruption — are creating obstacles to business growth. Robust data, experienced insights and practical alternatives illustrate how integrated, disciplined tech strategies drive measurable growth. These insights show that:

- Digital transformation needs to support business strategy
- Businesses often can succeed by using the tech they already have
- Usage is a key tech ROI metric that's often overlooked
- Customer experience should lead, not follow
- Decisions need to be connected across the enterprise

How is your organization changing its technology investment this year?



Note: Figures do not add to 100% due to rounding.

Tech ≠ business strategy?

THEN

Tech and business strategies were separate silos.

NOW

Integration is essential to unlocking long-term growth.

Just 27% of our survey respondents report that their technology is fully aligned with business goals.

Competing priorities are often at fault when technology fails to align with business objectives.

"Business leaders recognize the need to invest in technology to enhance the customer experience, improve operations and drive profitability," said Grant Thornton National Managing Partner for Technology Modernization Services Nick Vellani. "But they are competing with their internal technology function's priorities. These may include infrastructure and application cloud migration, cybersecurity, and data management — all of which are critical to ongoing operations but do not directly align to business priorities."

One university healthcare system recently sought to align enterprise strategy with patient and revenue drivers for consideration in selecting a new CRM. Grant Thornton Business Consulting Partner David Koppy said, "Our client wanted to ensure this major technology investment fully accounted for the complexity of the business. We drove alignment between business and technology leaders through structured decision-making on business value levers, which were subsequently articulated into business requirements."

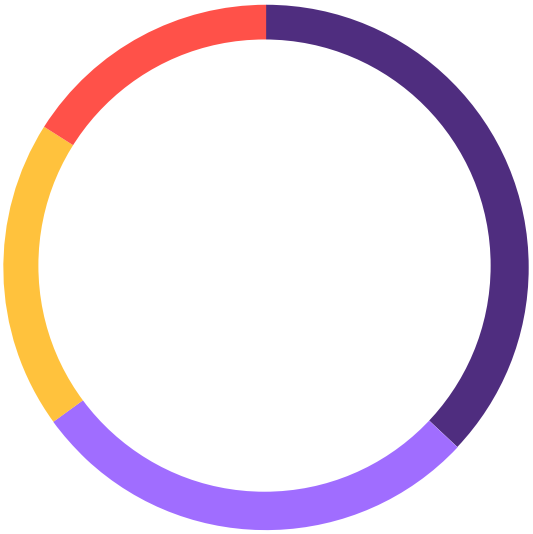
Companies with misaligned technology often include:

- Companies — particularly smaller ones — that are using outdated or even antiquated systems that no longer meet their needs.
- Companies that have made major investments in total system upgrades but are discouraged because they bought the technology without considering their business needs. One survey respondent even said their technology was obsolete by the time it was implemented.
- Companies that have invested in multiple disconnected systems or acquired disparate systems through M&A.

To drive success and growth, leaders in all three groups need to ensure that both their systems and their data are aligned to support future initiatives. Our survey showed that 32% of respondents think their data needs improvement to support technology initiatives, with only 16% rating their data quality as "excellent." With the right systems and data in place, leaders need to connect those technology initiatives directly with business outcomes and customer experience (CX) improvements that lead to increased revenue.

Our survey showed that 32% of respondents think their data needs improvement to support technology initiatives, with only 16% rating their data quality as "excellent."

What percentage of your technology investment will be in each of the following categories this year?



- Enterprise platforms (ERPs, CRMs) **37%**
- Targeted third-party solutions **28%**
- Custom development with internal resources **19%**
- Custom development by third parties **16%**

In today's business climate, organizations must prioritize investments that deliver the highest returns and align with strategic goals. Success requires a clear focus on objectives such as cost savings, growth, efficiency or market differentiation — while filtering out initiatives that don't directly contribute to these outcomes. Collaboration is essential. Input from leaders, IT teams and end users ensures that decisions address key needs and align across the organization. Balancing short-term wins with long-term goals and adopting flexible funding models helps businesses stay adaptable to changing priorities.

Managing risk is equally important. Approaches such as pilot programs and thorough assessments reduce exposure to potential challenges. Regular reviews ensure that investments remain relevant as needs and market conditions evolve.

Fostering innovation through training, clear communication and change management supports smooth adoption of new technologies, driving organizational growth and agility.

Use the tech you already have

THEN

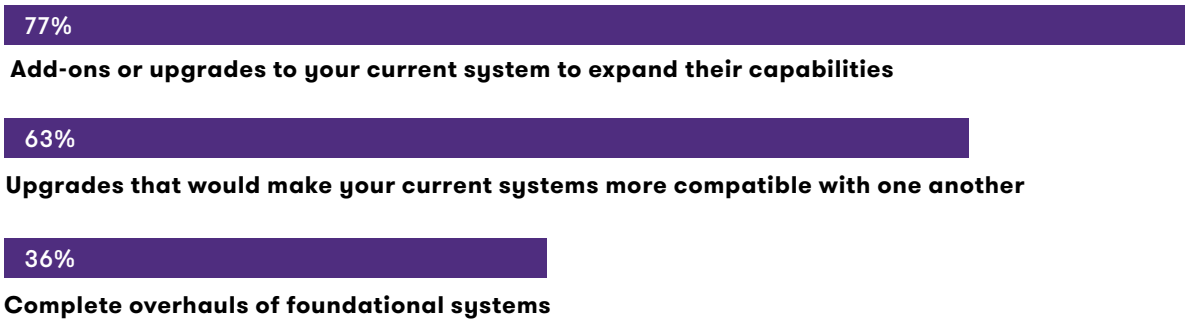
Tech transformation required massive system overhauls.

NOW

Maximizing existing tools can efficiently improve ROI.

By more than a 2-to-1 margin, leaders in our survey are planning add-ons or upgrades to existing systems rather than complete system overhauls.

What types of digital transformation efforts are in process or under consideration at your organization? (Choose all that apply)



Many companies are driving strong revenue growth at an affordable price by auditing and optimizing their existing platforms instead of making large-scale new investments. One Fortune 100 tech firm increased marketing capacity by 44% by working with Grant Thornton to prioritize customer-centric personalization within existing systems.

MACRO TREND

Economic uncertainty demands cautious capital deployment — optimizing current investments minimizes risk and maximizes returns.

Reframe ROI: It's about usage

THEN

Traditional ROI metrics guided investments.

NOW

Usage metrics clarify technology's impact.

Cost reduction is the leading ROI metric, despite being a lagging indicator that's poorly suited for real-time understanding of tech's impact.

Focusing on real-time technology usage analytics, rather than retrospective ROI, enables proactive growth. Many business leaders have recognized this, yet our survey shows most still prioritize ROI metrics rather than tracking solution usage and adoption. Technology that's not fully used falls short of growth and profitability goals, so leaders have a responsibility to make sure employees and customers alike use technology to its fullest potential. Usage metrics can quickly identify successful initiatives or needed pivots, such as the need for better training.

"We expect to go strong with digital transformation, and we expect to have some pushback from our teams," said one survey respondent who's a vice president of a company in the energy industry. "But we are focusing on training/information sharing so our users have a good experience."

For example, while many companies use robust tax software applications to support their tax compliance functions, it is common for tax departments to underutilize standard, available application programming interfaces (APIs) that make the applications most effective. When APIs are used, an application can integrate more effectively with the company's data to drive enhanced automation — resulting in increased cost savings and improved quality.

Metrics showing how often the team uses available APIs surrounding an application can indicate how effectively the application is being deployed and identify opportunities for additional value creation. Performing an optimization analysis can help companies identify usage gaps with these tools.

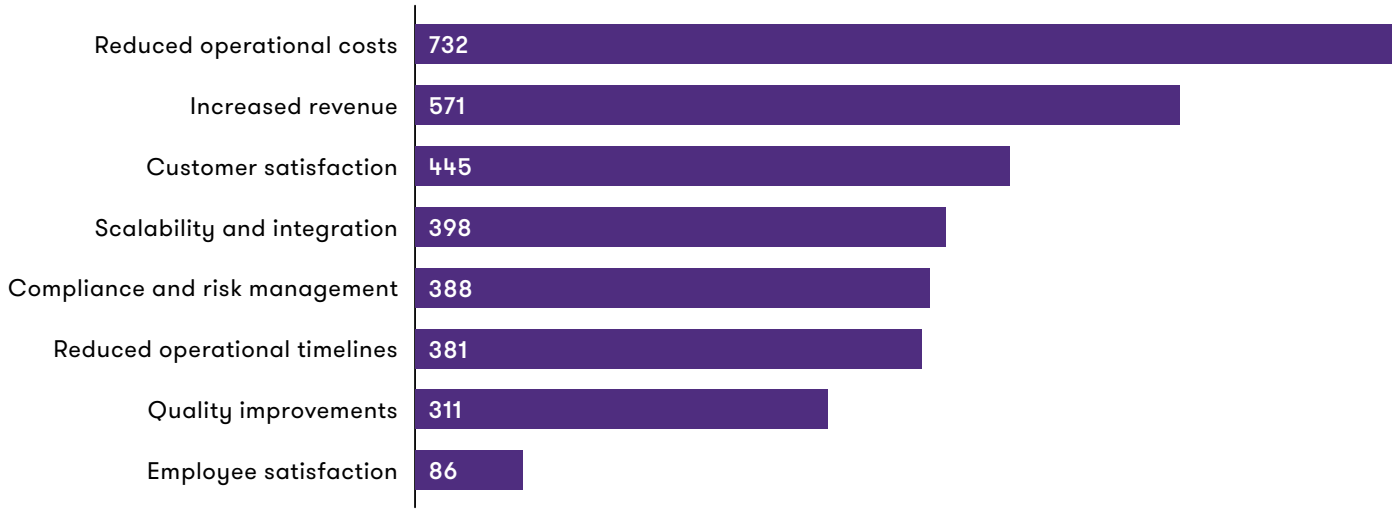
Focusing exclusively on cost-based ROI metrics — without attention to usage-based metrics — not only reduces effectiveness of the technology but can also create quality and compliance risks in the areas where the technologies are deployed. Staying with the example of the tax function, tax departments increasingly are relying on automation and AI to support critical tasks such as taxability determinations. Failure to effectively use the technology's full capabilities can result in improper reporting, creating risks for the company and reducing the overall quality of the tax function's work.

Although business leaders often don't talk about tax strategy as an opportunity for growth, using scenario modeling to predict the tax implications of a changing tax law or a business expansion can save hundreds of hours — resulting in faster decisions and freeing up professionals to spend time on strategic planning versus manual calculation.

"AI also can contribute to strategy by analyzing tax positions to determine if alternatively available methodologies might create tax savings," said Grant Thornton National Tax Solutions Leader Dana Lance. "Using emerging technologies removes the human time constraint from these tasks, ensuring savings opportunities are not missed and reporting compliance maintains high quality and accuracy."

While leaders are focused on cost reduction metrics, user adoption is the biggest threat to technology's success.

Rank the top 3 metrics you plan to measure for the ROI on technology investments this year. (Weighed score shown)



Note on weighting: Top rank = 3 points, second = 2 points, third = 1 point
Source: Grant Thornton Digital Transformation Survey

Rank the top 3 reasons that one or more past technology initiatives have failed at your organization. (Weighted score shown)

Note on weighting: Top rank = 3 points, second = 2 points, third = 1 point
Source: Grant Thornton Digital Transformation Survey

Customer experience leads, not follows

THEN

Companies centered tech investment on internal process improvements.

NOW

Customer needs direct strategic tech priorities.

After the requisite cybersecurity, CRMs and customer interfaces are the top technologies that leaders said they will be investing in this year.

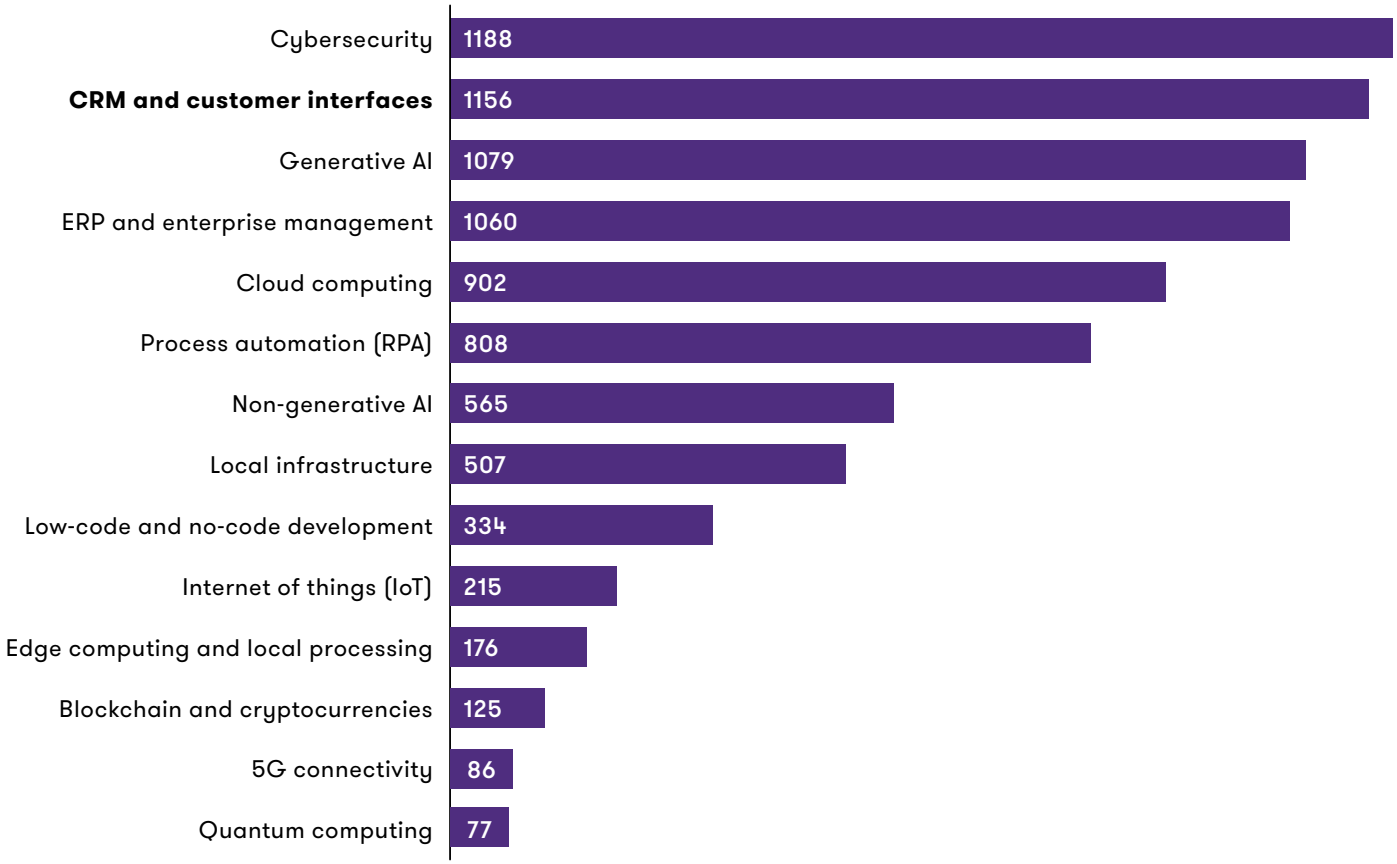
Organizations that center digital transformation around customer experience see clearer paths to revenue growth. With generative AI initiatives in particular, businesses initially implemented technology internally out of fear of exposing customers to potential AI-delivered mistakes that could harm brand reputation.

But now that they have developed guardrails around AI use, companies are using customer-facing AI platforms to satisfy customers — who are enjoying the personalization that AI provides. Our survey underscores the shift to customer-centric CRMs and interfaces.

MACRO TREND

Consumer spending shifts due to economic pressures require responsive, CX-focused strategies to maintain and grow revenue.

How is your organization changing its technology investment this year?



Note on weighting: Top rank = 5 points, second = 4 points, third = 3 points, fourth = 2 points, fifth = 1 point

Connect decisions across the enterprise

THEN

Siloed technology led to fragmented execution.

NOW

Unified, data-driven platforms enable proactive decisions.

Integration challenges remain the leading obstacle that our survey respondents expect to face with their technology.

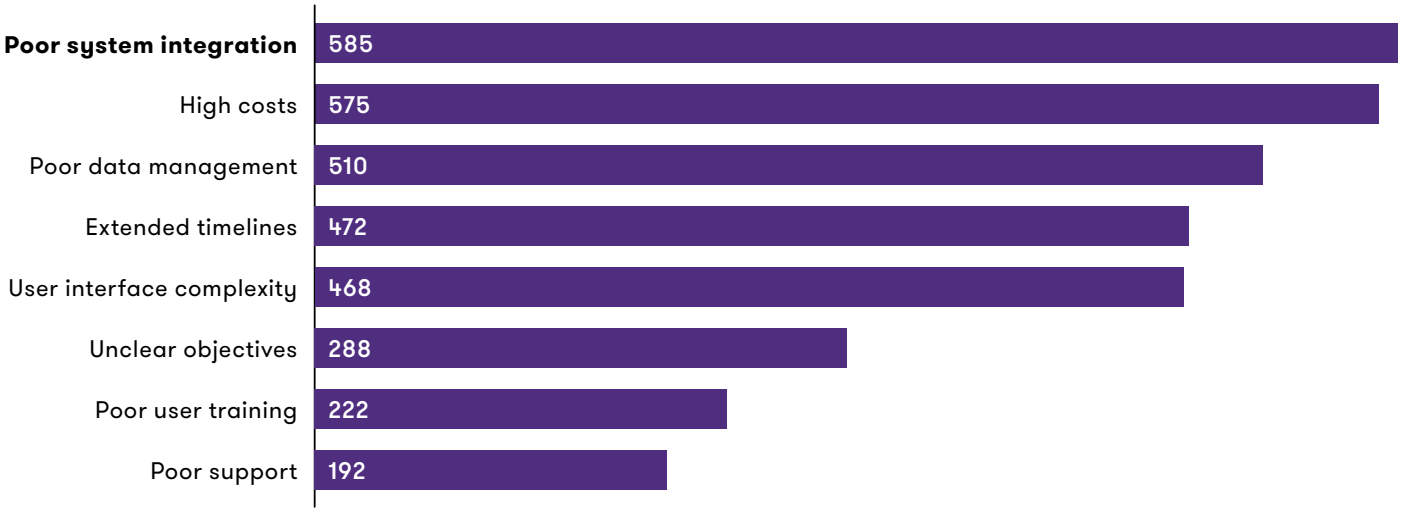
Integrating technology into an interconnected ecosystem helps businesses maximize the impact of their investments. That's why enterprise platforms such as ERPs and CRMs are among the top technologies that business leaders are targeting for investment this year. However, businesses often struggle with insufficient integrations that lead to cross-functional handoffs and collaboration risks.

When organizations successfully integrate CRMs, marketing automation, e-commerce and customer service platforms, they can create a 360-degree view of the customer with personalized interactions at every touchpoint.

AI-powered insights can inform product development, inventory management and demand forecasting — aligning operational capabilities with customer expectations. Organizations can integrate these insights with ERP or other business solutions to drive decisions and actions.

"Integrating from multiple business units into data repositories where we can extract what's useful — instead of digging for nuggets of useful information — will allow us to make company-wide decisions proactively," said a banking industry president responding to our survey.

Rank the top 3 challenges you face with adoption for technology initiatives. (Weighed score shown)



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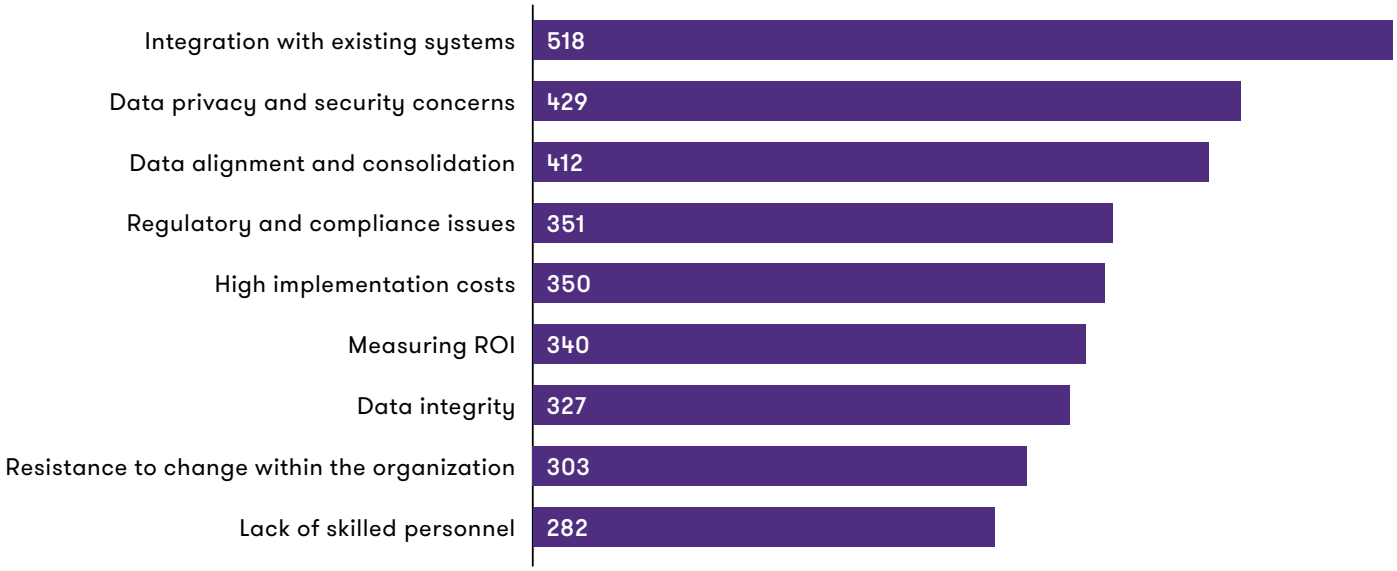
Data is the currency of modern business operations, and making data-driven decisions at the enterprise level is a hefty challenge that many organizations continue to face. An enterprise needs a data strategy that unifies a single version of truth with master data management to underpin technologies that include large data storage platforms, data integration platforms and data lakes and lakehouses.

Building a data-driven culture goes beyond adopting technology; it entails aligning processes, behaviors and mindsets to prioritize and leverage the value of data:

- Clarify the importance of leveraging data for achieving business goals.
- Implement tools for data analysis and visualization, and train, train, train.
- Ensure data quality, security and compliance through clear policies.
- Make integrated data accessible across the organization with a critical focus on data security.
- Normalize using data to support decisions.
- Track adoption metrics and refine strategies based on feedback.

Rank the top 3 technology challenges you anticipated for your organization this year. (Weighed score shown)



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Key takeaways

Disciplined, integrated digital transformation converts investment into reliable growth. To maximize profitability, companies must now:

- **Align tech and business strategies**
  Companies need to use customer-focused business strategies as the guide to align their technology strategies. Disconnected strategies lead to disconnected systems.

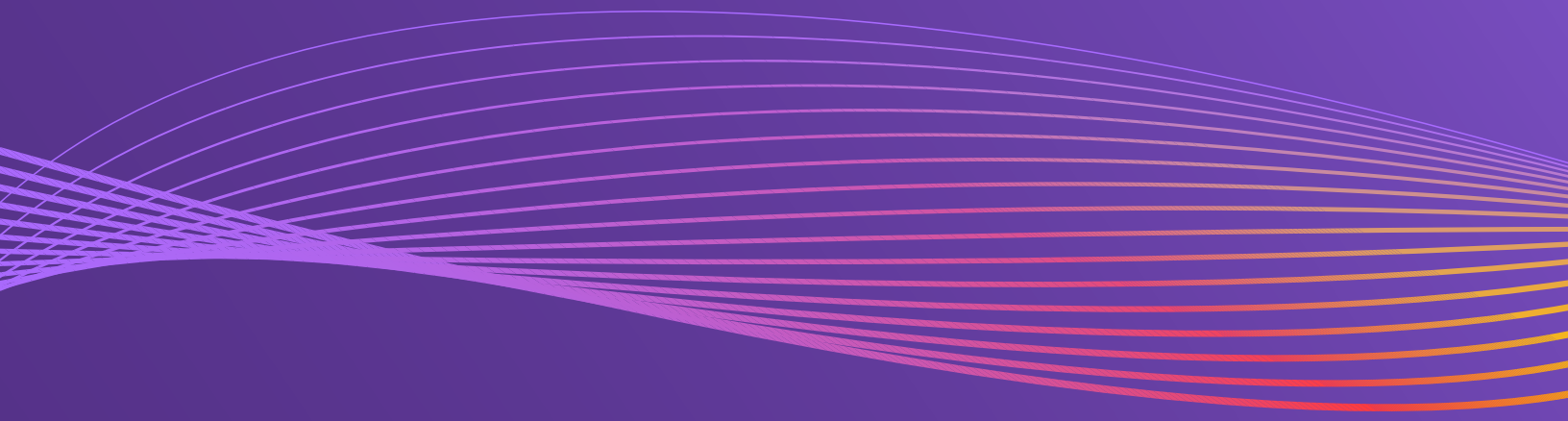
- **Optimize current technology to get the best returns on tech investment**
  Enterprise systems have become increasingly flexible, and many companies find that their new business goals can be met by adapting their existing technology — without the cost and delay of implementing entirely new solutions.

- **Focus on usage metrics rather than lagging measures of success**
  Usage metrics can provide an advance view of a technology's impact, because unused technology cannot drive the value and returns businesses want to see down the road.

- **Prioritize customer experiences**
  Your customers can show you the path to growth. Listen to them, and look at the customer experience to prioritize the issues you need to address and the opportunities you need to pursue.

- **Unify decision-making across silos**
  Organizations have long sought system integration, and today's technologies offer more options for live connectivity. Plus, the power of AI-enhanced analysis means that companies can see unprecedented returns on decision-driving data once they achieve integration.

Organizations that follow these steps will find that it's possible to drive healthy growth — even in an environment that poses numerous challenges to businesses across the industry spectrum.



Grant Thornton

REPORT

TECHNOLOGY ENABLEMENT

Make technology an engine for profitability

Use your tech's full potential to maximize your efficiency

Executive summary

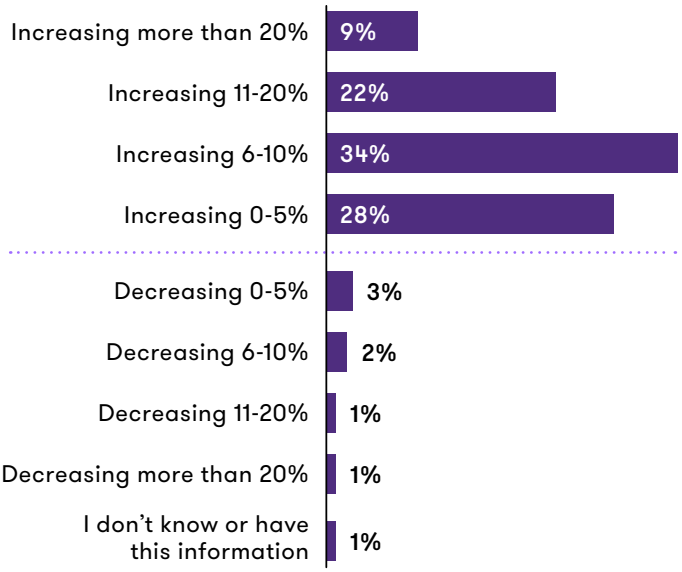
Efficiency and profitability remain top priorities for today's business leaders — but achieving them through digital transformation remains an elusive goal for many. Our latest survey finds that while 93% of executives plan to increase tech investments this year, about one-third say their data is inadequate for transformation. Optimized returns require aligning technology with business strategy — and enabling your people to unlock the full capabilities of that technology.

Today's leaders understand that efficiency gains aren't about the size of the spend — they're about paving a pathway to smooth execution. This path includes:

- Phased rollouts
- User-driven design
- Data that supports individual use cases
- Metrics that measure efficiency

Pragmatic, fit-for-purpose digital transformation initiatives empower employees and accelerate operational agility, enhancing products, services and speed to market.

How is your organization changing its technology investment this year?



Note: Figures do not add to 100% due to rounding.

The efficiency imperative

THEN

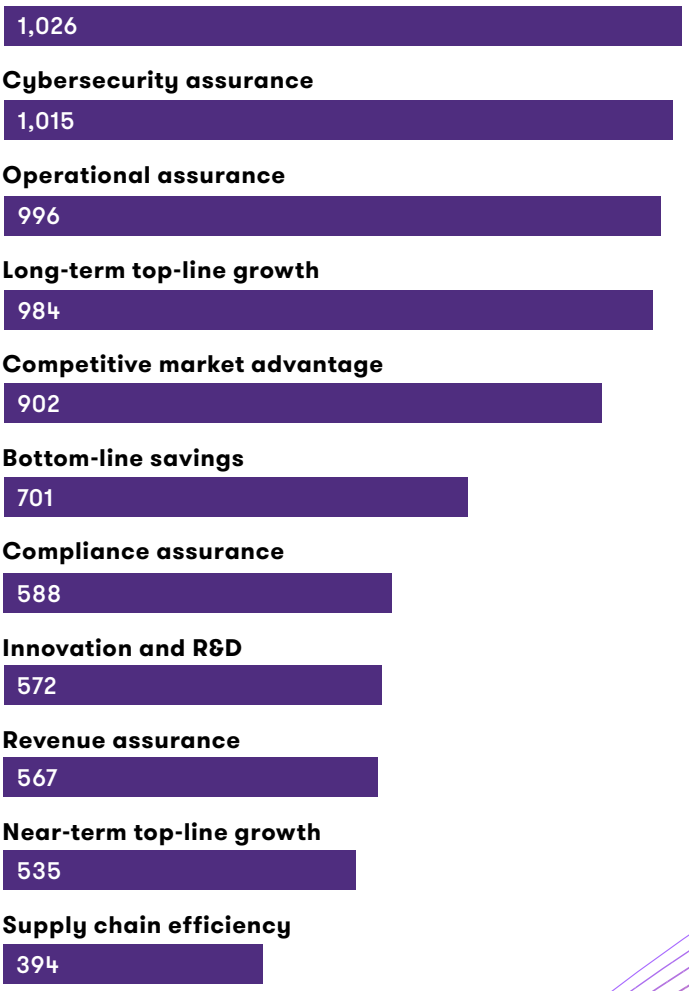
IT focused on system governance, often operating as a cost center with slow return cycles.

NOW

IT is expected to act as an agile enabler of opportunity — helping eliminate lost opportunity costs through fit-for-purpose tech.

Sixty-seven percent of leaders ranked resource optimization among their top five technology objectives for this year.

Resource optimization is top tech objective
Q: Rank the top 5 goals for your organization's technology investments this year. (Weighted score shown)



As today's leaders continue to ramp up technology spending, they're learning lessons from the past on optimizing return from those investments. The competitive edge is no longer in large, monolithic systems, but in phased, right-sized transformations that fit the business need and can scale effectively.

The old playbook of big bang deployments is fading fast. Leaders are adopting more iterative approaches that allow them to adapt quickly and drive higher margins over time.

"Modern tech allows for modularized deployment," Grant Thornton Technology Modernization Partner Tony Dinola said. "Instead of 24- or 36-month projects, we're talking six-to eight-week cycles. You get value faster and can stop if it's not delivering."

While the IT function remains responsible for infrastructure and IT security, employees throughout the business are innovating with technology to solve problems — and IT needs to support them. The efficiency imperative isn't just about picking the right tech — it's about empowering the right people. And in a crowded landscape of options, efficiency comes from matching the solution to the real problem — and knowing when less is more.

Human-centric design drives ROI

THEN

Tech-led transformation with minimal user input.

NOW

User-driven strategies that align tech with frontline needs.

Fifty-nine percent of our survey respondents said user adoption challenges are one of the top three reasons that tech initiatives have failed at their organizations.

In today's environment, technology must work for people — not the other way around. That expectation is now shaping productivity — and talent strategies.

A forward-leaning digital presence is a must-have recruiting tool for younger generations. If your technology feels dated, you won't be able to attract or retain top talent.

In short, employee experience reigns as a competitive issue for business leaders. Companies that engage employees in shaping new technology use — through early demos, feedback loops and user-led design — see faster adoption and stronger returns.

Meanwhile, the employees who are among the first to embrace new technologies in the workplace build their reputations for adaptability and leadership.

"This is a great opportunity for leaders to gain a unique lens into their team," said Grant Thornton Business Consulting Partner Mike Hennessey. "You'll very quickly see who your upcoming leaders are and who your high potentials are. Those insights are valuable when it comes to executing change at scale."

Many companies struggle to get their employees aligned with technology initiatives. Our survey showed that user adoption challenges are the top reason that past tech initiatives have failed. Yet respondents ranked employee satisfaction last among the metrics they plan to measure for the ROI on tech investments this year.

Grant Thornton Business Consulting Director Rob Ginzel said company leaders should work to make sure employees see how the technology being implemented will benefit them. If tech makes work easier and more meaningful for employees, their colleagues and managers, implementation typically goes smoothly.

"When employees see their peers and leaders using new technology comfortably, that builds trust and curiosity," Ginzel said. "It turns adoption from a compliance exercise into a desire to work in new and innovative ways."

Working with imperfect data

THEN

Organizations waited for clean data before moving forward.

NOW

Smart leaders use the data they have, improving quality iteratively.

Thirty-four percent of our survey respondents say their data is inadequate for transformation.

A key barrier to transformation has long been data readiness. Many organizations assume they must have perfect data before taking action. But today's most successful leaders think differently: They fence the data needed for specific use cases, move forward with what's available and improve quality over time.

For example, Grant Thornton worked with a client on an automation project for a cash receipts process that cleansed only the data needed for that use case — without overhauling the company's entire data program. The client had been taking more than $1 million in annual write-offs because of poor data quality and time-consuming manual tasks. The automation eliminated 80% of those annual write-offs.

Many organizations are also rethinking what qualifies as valuable data. In a time of dashboard overload, employee experience, sentiment and peer-to-peer feedback generate a richer story by capturing adoption trends and obstacles.

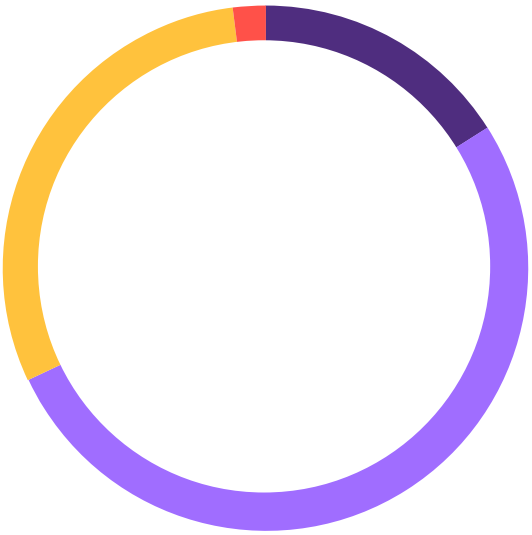
"Qualitative signals — including employee sentiment and user feedback — add context to what frustrates and excites end users," Ginzel said. "They help leaders understand adoption barriers and guide continuous improvement."

THE TAKEAWAY

Digital maturity is built on small, focused wins. You don't need perfect data to start creating value — you need the right mindset and use-case clarity.

Data quality concerns

Q: How would you rate the quality of your data for supporting technology initiatives?



- Excellent **16%**
- Adequate **52%**
- Needs work **30%**
- Needs critical work **2%**

Tracking the right metrics

THEN

Success was measured by cost savings or meeting system go-live dates.

NOW

Success is measured by usage, behavior change and tangible business outcomes.

Sixty-three percent of our survey respondents ranked reducing operational costs as one of the top three ROI goals for their tech investments.

Today's most insightful leaders know that adoption metrics predict ROI, and cost savings are maximized when technology achieves high levels of adoption.

Frontline usage, engagement and experience signal whether technology tools are driving the intended value.

"We focus on speed to value and end-user adoption — how fast are we getting tools into people's hands, and how quickly are they making an impact?" Dinola said.

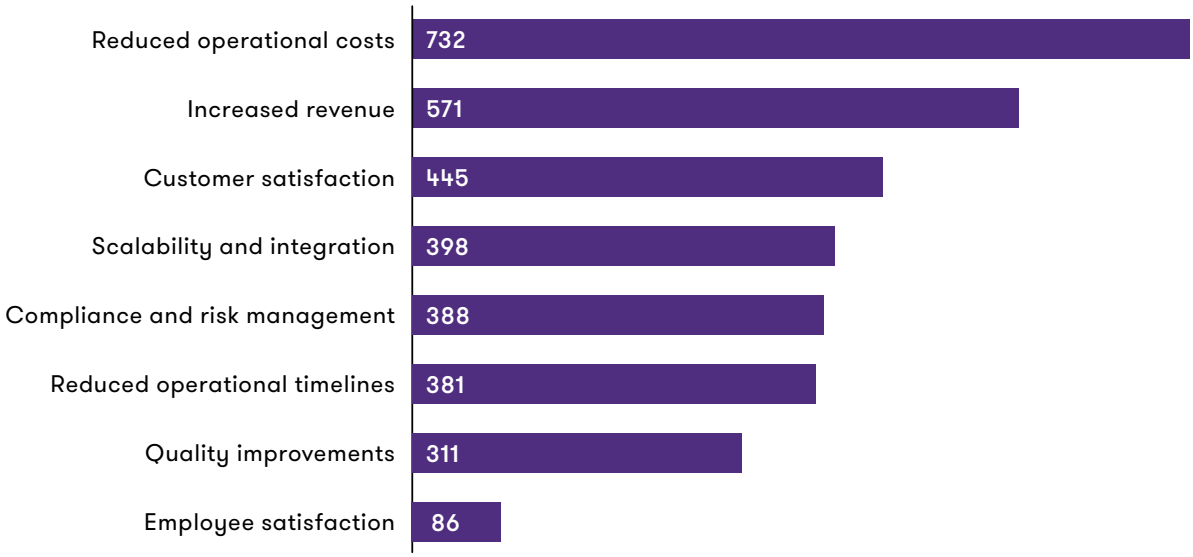
Meanwhile, tracking behavior change — not just usage — can show leadership where hidden resistance may be stalling outcomes. Leaders should analyze how ways of working have evolved.

When people spend less time on low-value tasks and use new capabilities to drive better decisions and improve quality, they're bound to deliver superior performance at a lower cost.

To drive technology improvements and transformation forward, companies need to align incentives and metrics with adoption and behavioral outcomes.

Metrics focused on cost-cutting

Q: Rank the top 3 metrics you plan to measure for the ROI on technology investments this year. (Weighted score shown)



Key takeaways

Technology implementation initiatives have shifted in recent years as companies increasingly find value in targeted improvements that align with the business strategy and make an immediate impact.

Here's how company leaders can use technology adoption to deliver improved efficiency and profitability:

- **Prepare IT to support user-led tech innovation throughout the business**
  In the past, digital transformation lived in the IT silo. Today, real gains happen when individual business units and IT co-create solutions with shared KPIs and mutual accountability.

- **Prioritize the user experience**
  Too many transformations do not involve the employees who use the tools daily. Human-centric design means solving for user friction — and letting the frontline shape the future.

- **Manage data wisely**
  Organizations often chase more data, not better data. But more effective tech decisions come from relevance, not volume. The shift to smaller, focused, actionable data is changing how teams invest.

- **Start small and scale selectively**
  Today's leading organizations think like startups as they approach technology-enabled change. They test small, learn fast and scale only what works — using metrics to guide expansion, not justify cost.

- **Incentivize new behaviors and ways of working**
  It's no longer enough to measure outputs such as implementation time or budget adherence. Today's ROI is about actual business outcomes: reduced friction and empowered people drive efficiency and profits.

Driving efficiency and profitability through tech implementation is no longer about scale, budgets or technology-first strategies. It's about building alignment across people, process and tech — and balancing pragmatism with measurable outcomes.

By embracing phased rollouts, designing for user needs, acting on the right data, and measuring the use of technology to drive efficiency, today's leaders can generate profitability today while paving the way for scalable success.

Grant Thornton

REPORT

TECHNOLOGY ENABLEMENT

Tech resilience: When brakes help you go faster

Use your tech's full potential to maximize your efficiency

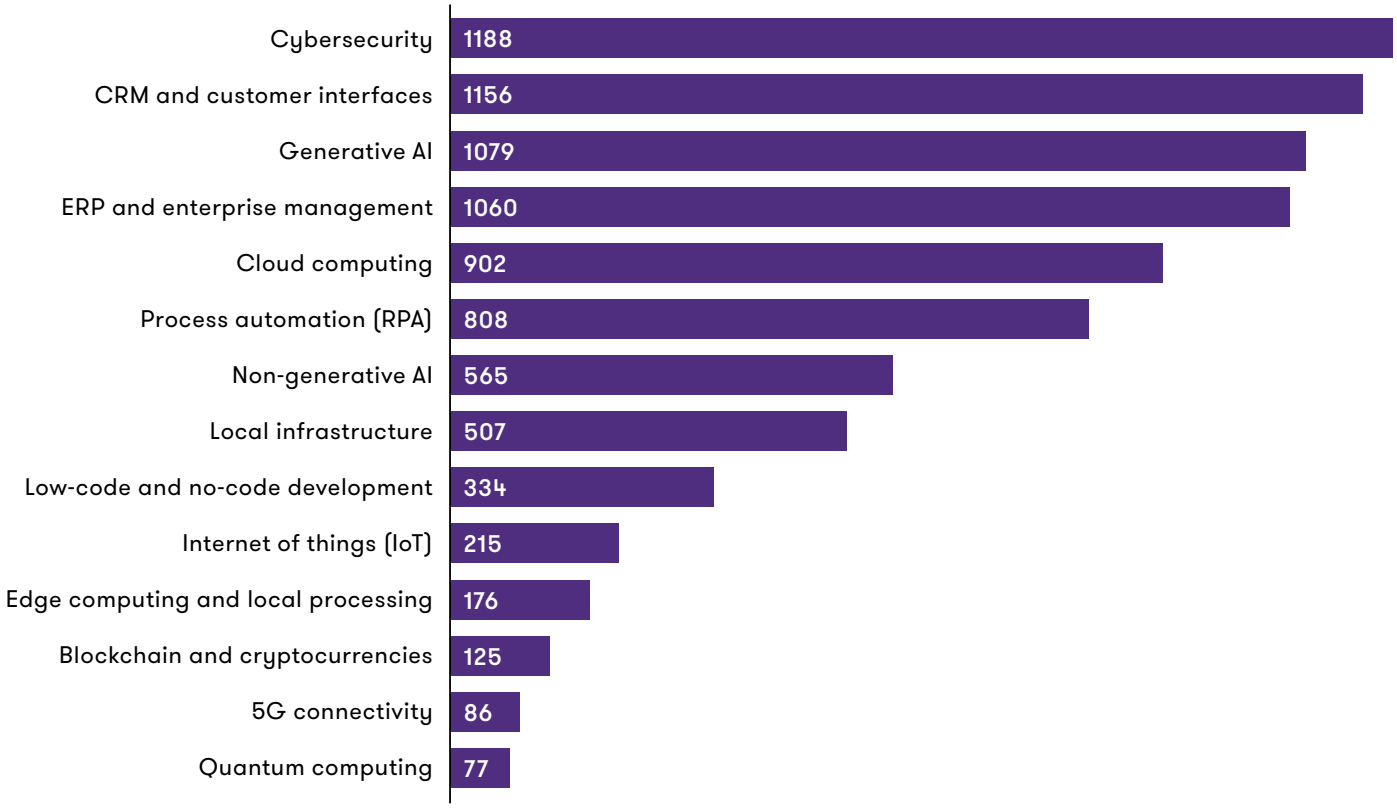
Executive summary

In Grant Thornton's survey of more than 550 executives, 22% ranked cybersecurity and risk management as their top technology enhancement objective — second only to analytics and business intelligence.

Strong governance and compliance don't slow progress — they enable it. Grant Thornton's Digital Transformation Survey reveals that embedding cybersecurity, resilience and real-time compliance into tech strategies empowers agility and innovation.

By treating compliance as a cultural cornerstone and using automation, leaders can mitigate risk and accelerate transformation. Organizations that align governance with technology goals build a foundation for long-term success, proving that the right guardrails help them move faster — with greater confidence and security.

Rank the top 5 technologies your organization is investing in this year (weighted score shown)



Note on weighting: Top rank = 5 points, second =4 points, third = 3 points, fourth = 2 points, fifth = 1 point

Governance and innovation: Strike the right balance

THEN

Governance was often sidelined in the rush to modernize.

NOW

It's recognized as essential for building value.

60% of executives identified governance, risk and compliance (GRC) tools/processes as a top-three tactic for mitigating technology risks.

With each technology implementation, it's important to strike the right balance between governance and innovation.

Controls that are redundant or too strict certainly can stifle creativity and productivity. At the same time, experimentation without proper restraint can unleash risks that can put an unsuspecting organization in real jeopardy.

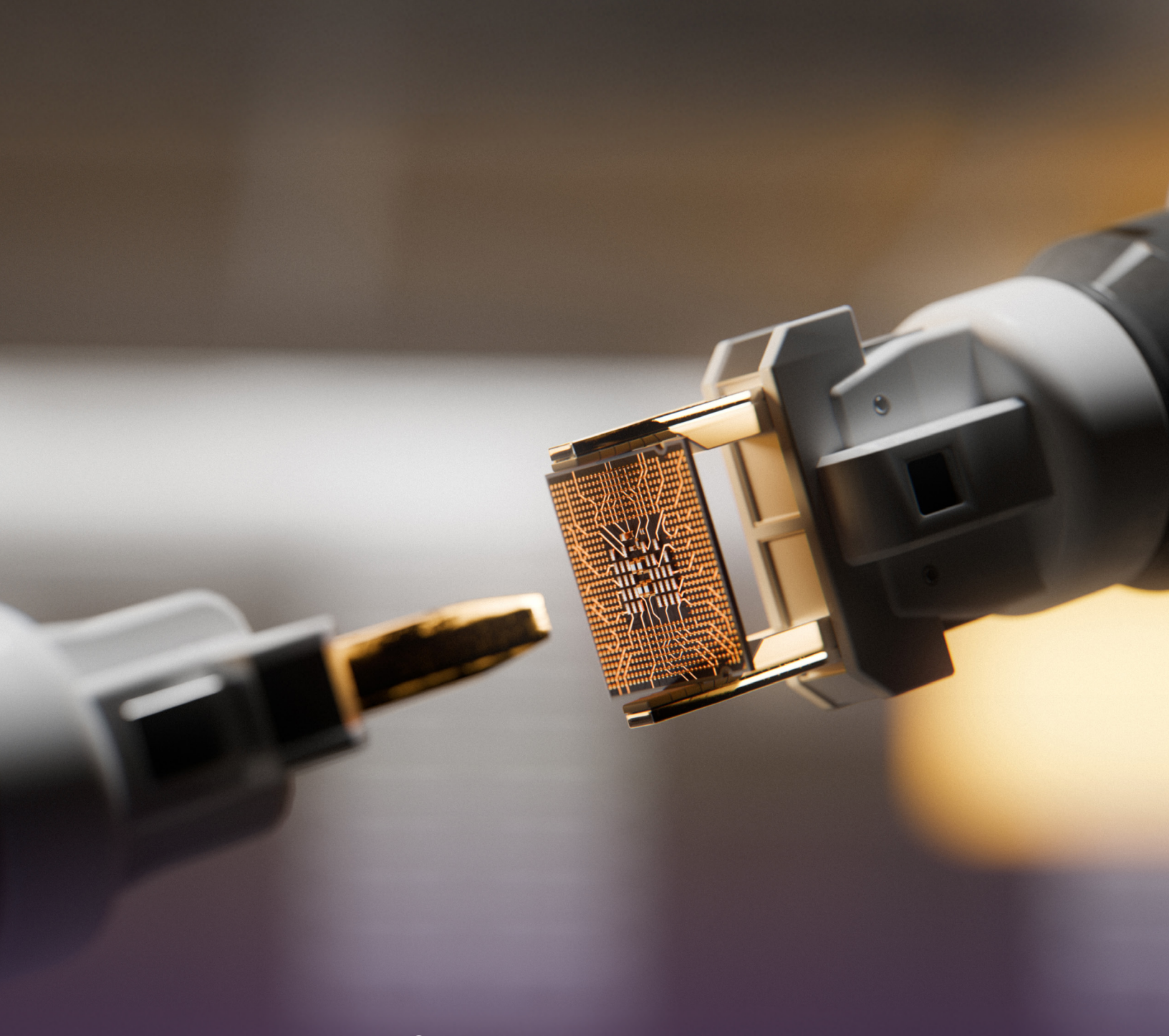
The proper balance lies in developing guardrails for technology transformations that create a walled garden where employees can experiment. If you're experimenting with AI adoption, these guardrails protect the organization from intellectual property claims, preserve confidential data and ensure the quality of products and services — as well as the customer experience. Some of these guardrails can include basic functions the organization already has such as protected sandboxes, or IT change management.

Ownership and monitoring of those guardrails should be assigned to the appropriate personnel, with involvement from the chief risk officer or the chief compliance officer.

"That's what unfolds for every technology transformation," Lee said. "Don't ruin the business model. Don't send confidential information where it shouldn't go. And once you've built the walled garden and the sandbox is safe, foster and encourage experimentation. Later, we can have a conversation about ROI, once we know what is reasonably measurable."

"Once you've built the walled garden and the sandbox is safe, foster and encourage experimentation. Later, we can have a conversation about ROI."

Johnny Lee
Partner, Risk Advisory Services
Grant Thornton Advisors LLC



Compliance gets an AI makeover

THEN

Compliance was often an intensely manual activity.

NOW

AI tools are making compliance more thorough and less labor-intensive.

49% of executives rank regular risk assessments as a top-three approach for mitigating technology risks.

Risk assessments are the roots of strong resilience and compliance, and large organizations might have 10 or more of these processes in place to effectively manage their risks. Where these processes were once performed manually with the help of workflow tools, companies now are implementing AI tools to assist with these objectives.

The AI models need to be trained with relevant risk data and response rates defined, but companies are finding that the tools ultimately improve speed and accuracy at a modest cost. Additional AI tools for resilience and compliance include third-party supplier risk management applications and regulatory horizon scanning apps that alert management to changes in rules or laws that need to be addressed through compliance activities.

But an organization needs to prepare carefully to use these tools before implementing them. Effective use requires:

- **A solid foundation of governance and thoughtful processes:** For example, AI can create optimal value in risk-management processes that are well-defined, with detailed risk categories and tolerances. AI programs trained on procedural foundation will foster more insightful analysis.
- **High-quality, well-organized data:** Inaccurate, incomplete or poorly organized data will cause AI to provide flawed insights and outputs.
- **Human validation and review:** AI will not always provide the right answers, and risk ratings and compliance initiatives are too important to leave to chance. Knowledgeable, experienced people are needed to verify the accuracy of AI-provided outputs — maintaining the "human in the loop."

Derek Han, the Cybersecurity and Privacy Leader for Grant Thornton's Risk Advisory practice, said organizations are especially focused now on improving their data to enable successful AI use.

"Data has been the core challenge — but also the opportunity — for many organizations in their AI adoption," Han said. "For some, it's going to be a real journey to make sure their data is high in quality and widely usable for training large language models within organizational boundaries."

Rank the top 3 approaches that help your organization mitigate technology risks (weighted scores shown)

Note on weighting: Top rank = 3 points, second =2 points, third = 1 point

Incident response emerges as cyber priority

THEN

Buying cybersecurity tools implied preparedness.

NOW

Execution and culture — not tech alone — define true resilience.

Cybersecurity is the No. 1 technology that executives said they are investing in this year.

AI tools also are a key focus of implementation for cybersecurity, but while AI solutions can enhance protection, they can't be solely relied upon for effective cybersecurity.

Our survey shows that executives are spending prodigiously on cybersecurity tools, as 68% of respondents named cyber solutions as one of the top five technologies they're investing in this year. AI solutions for cybersecurity are emerging that can probe for vulnerabilities in defenses; review audit logs for potential indicators of compromises; and remediate risk issues or vulnerabilities. Han says companies need to evaluate their confidence and risk tolerance level for using AI automations in lieu of human involvement for such a vital activity. In the interim, human oversight is required to ensure the accuracy and effectiveness of the AI solutions and to alleviate the risks of adverse impact on systems, operations and employees.

"The risks of overreliance on AI in cybersecurity have to be considered," Han said. "If we start using AI to replace humans to monitor, respond to, and mitigate security risks, the human capabilities in building and managing cybersecurity could be degraded, especially for young professionals. It's important to strike a balance between the use of AI tools and developing the expertise and critical thinking of the human security team."

For employees throughout the organization, AI automation should not diminish the importance of regular training and embedding strong cybersecurity awareness practices throughout your workforce. Meanwhile, the need for thorough, cross-functional incident response and resilience drills should continue to be a focus.

"Where the real resilience starts to show up is in comprehension," Lee said. "You can't have comprehension without clarity. You can't have clarity without people knowing what their job is when the 'bad day' happens. And you genuinely can't know that without practice."

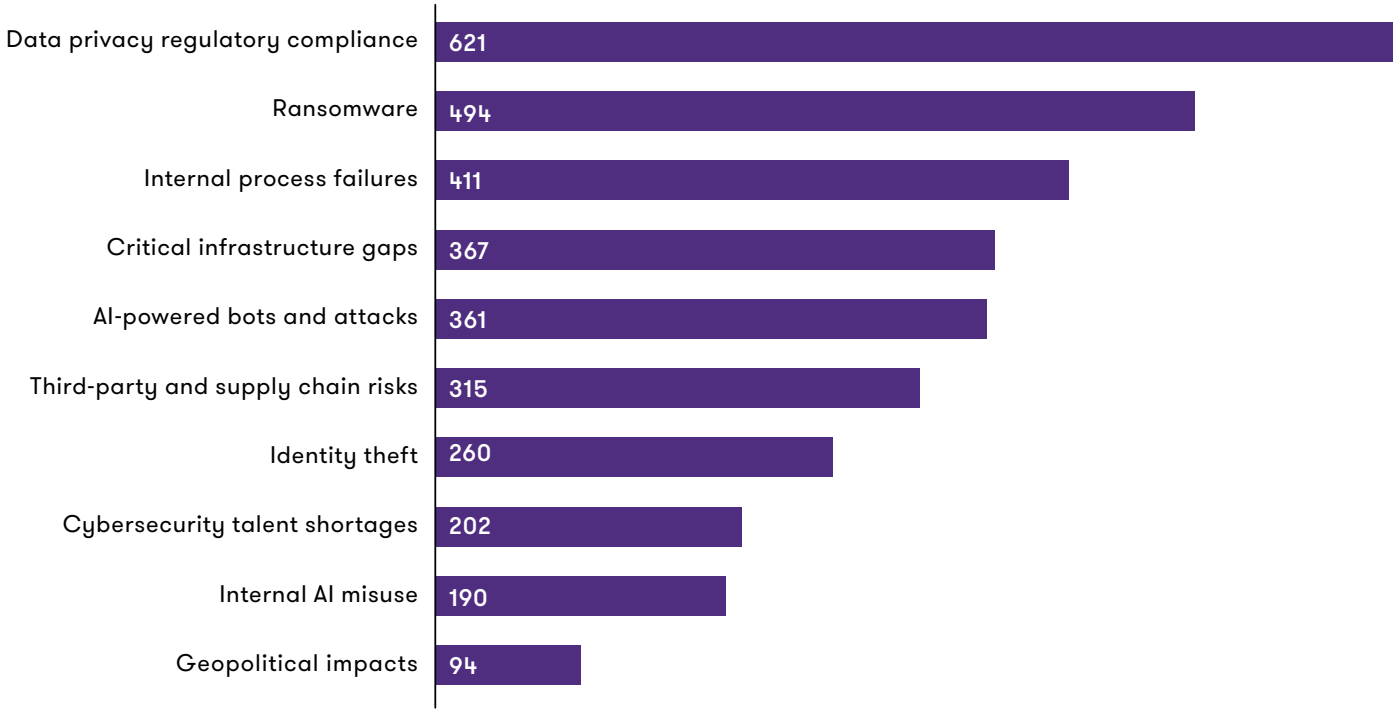
Even in resilience drills, though, AI tools can play multiple roles.

"AI can create simulated cyber threat scenarios to test incident response capabilities," Han said. "In addition, where written response playbooks can be lengthy and complicated to execute, the people on the response team can use AI to more quickly discern their responsibilities and take decisive action."

"It's important to strike a balance between the use of AI tools and developing the expertise and critical thinking of the human security team."

Derek Han
Cybersecurity and Privacy Leader
Grant Thornton Advisors LLC

Rank the top 3 concerns that your organization has about cybersecurity and data privacy



Note on weighting: Top rank = 3 points, second = 2 points, third = 1 point

Moving toward real-time monitoring

THEN

Compliance meant periodic check-ins.

NOW

Changing laws and risks require constant monitoring.

53% of executives listed data privacy compliance as one of their top three concerns about cybersecurity.

The next frontier for compliance and resilience is real-time monitoring as robotic process automation and AI tools are developing with the potential to immediately identify anomalies or red flags.

For example, companies are investing in tools that allow management to discover and correct financial reporting and IT anomalies long before third-party audits are conducted.

"Management is investing in systems upfront to make sure everything is clean," Rojhani said. "Because of this, over time we're going to see fewer and fewer material misstatements from a financial audit perspective — and fewer IT issues from a regulatory or compliance perspective."

While this type of real-time analysis is already happening at many companies, mature processes and strong data hygiene are needed to fully realize the goal of continuous compliance. When upgrades are implemented and processes change, the monitoring of both controls and technology often does not keep pace.

But as dynamic compliance platforms are embedded to track and respond to regulatory changes — and as GRC and AI tools are developed to scale with regulation — the replacement of manual processes with automation makes continuous compliance an achievable objective.

Culture shift: Compliance is a shared responsibility

THEN

Compliance was owned by a single team.

NOW

Culture-wide "risk IQ" is essential for operational resilience.

Just over 1 in 4 of executives cited compliance lapses or security issues as a top reason that past tech initiatives failed.

Compliance and resilience are strongest at organizations where they are embedded in the culture and reinforced by the tone at the top. Some companies are naming individuals to be risk champions in every business unit, and many are encouraging cross-department knowledge sharing that spreads the word about appropriate responses to risk.

"It's not just tone at the top," Rojhani said. "It's about providing the resources to embed compliance into the culture."

Once a company builds the appropriate infrastructure, it can be the foundation for numerous technology initiatives. For example, one of Lee's clients hired Grant Thornton initially to assist with its cybersecurity maturation processes.

They developed a governance function with key constituents from finance, IT, HR, operations, legal and other key areas of the organization. When it came time for other implementations of enterprise risk, including insurance analysis, business continuity and AI adoption, the process could be repeated.

"They have the building blocks from the prior effort in place, and we were able to connect the dots and draw analogs to prior conversations by saying, 'Your AI adoption is not materially different from your cyber maturation,'" Lee said.

Resilience as strategy

At the most successful organizations, governance, cyber readiness and compliance aren't viewed as constraints. They're necessities that can be pursued more effectively through the implementation of technology. And when transformative technology is implemented, leading organizations put the right guardrails in place to help themselves get the most out of such tools.

With the right guardrails in place, organizations can move faster with confidence and control.

Key takeaways:

- Embed compliance into culture for lasting resilience.
- Use AI and automation to strengthen monitoring — with human oversight.
- Build agile guardrails that enable safe innovation.

"Proper governance can increase agility," Lee said, "because you're not paralyzed by indecision or first impressions or unnecessary risks. You've seen these things before, and you're confident the brakes won't fail, you have a mechanism for selecting the right course at speed."

Contributor bios

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David is an experienced problem solver who takes the long view of situations in order to understand the macro-level implications of decisions, tensions and actions. Understanding the significance of strategy design and execution plans enables the ability to quickly pivot across altitudes, increasing potential opportunities for value creation. David has an extensive track record in developing and bringing strategies to market, including increasing profitability by amplifying revenue upside while optimizing cost to deliver.

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Dana has in-depth experience in providing a wide range of tax advisory services to businesses operating in many industries, but focuses primarily on technology, media and entertainment. Dana's practice concentrations include: state tax minimization services including assisting taxpayers with the development and design of effective state tax planning; state due diligence reviews and M&A transaction analysis and consulting; nexus reviews; voluntary disclosure agreement negotiations to minimize state tax exposures; accounting for income taxes and uncertain tax positions for both federal and state taxes; and compliance outsourcing and reviews.

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Nick has more than 20 years of public accounting, consulting and industry experience. He has helped clients through enterprise project management initiatives, information technology application and infrastructure assessments, system/software selection engagements, software licensing audits, information technology due diligence, system implementation project reviews, and financial process reengineering. Nick has worked in numerous industries including banking, financial services, energy, consumer products and hospitality.

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Tony helps clients with large-scale business and technology transformation programs, including implementation of platforms such as ERP, HRIS, CRM and automation. He has spent considerable time supporting finance and operations functions and his projects have included data management, technology strategy, automation and program management initiatives across multiple industries, including manufacturing, transportation & distribution, technology, healthcare and real estate & construction.

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Rob has more than 20 years of experience as a change management and human capital consulting leader. He has consulted with organizations of various sizes spanning a range of industry sectors, including life sciences, consumer and industrial products, financial services, not-for-profit, healthcare and professional services. He has led multiple global business transformation initiatives integrating people, process, culture and technology adoption.

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Mike is a former CFO with 20 years of diverse experience, including work in professional services and the private sector. With experience domestically and internationally, Mike has focused on providing sound financial leadership and guidance to enable entities to maximize shareholder value. Working collaboratively with his clients, Mike helps keep your finance function moving forward to evolve from traditional transaction and reporting to more efficient, analytical and data-driven processes.

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Derek is a partner with professional experience in cybersecurity, privacy and AI governance consulting, including cybersecurity and privacy program assessment, AI governance program transformation, and privacy program optimization and automation. He has more than 20 years of experience working with client executives and senior management in the technology, cybersecurity, privacy, data governance and risk management fields. Many of his clients are Fortune 500 companies. Derek has led teams to assess, design and implement cybersecurity, IT risk management, privacy and AI governance solutions for complex client environments with global operations.

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A forensic investigator, management consultant, and former attorney, Johnny specializes in data analytics and digital forensics in support of investigations, litigation, and complex regulatory issues. He also provides advisory services to (and expert testimony for) organizations working to address complex AI, cybersecurity, blockchain, cryptocurrency, and data privacy issues. He has led hundreds of forensic investigations over the past fifteen years, including numerous matters involving significant data volumes and complex forensic analytics tools and techniques. These matters include forensic analysis for a wide variety of digital asset and cryptocurrency projects, complex monitoring engagements, and investigations involving federal law enforcement and regulators.

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Ethan is a partner in Grant Thornton's Risk practice with experience leading the full lifecycle of risk management and consulting engagements. His recent experience includes leading the transformation of organizational compliance and audit programs by integrating custom, emerging technologies to streamline compliance assessment and audit testing. He also leads IT strategy engagements to help organizations identify and implement effective strategies for transforming their organizations. His recent experience also includes helping clients manage costs and risks through focused process improvement — which includes developing the training, tools and management controls necessary to drive organizational value.

About our survey

Grant Thornton conducted the Digital Transformation Survey of more than 550 cross-functional senior executives across industries, focusing on tech alignment, investment priorities, ROI metrics, and integration challenges. Additional insights were drawn from industry-leading reports and macroeconomic analyses.

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