BDO

Techtonic States

BUILD YOUR BUSINESS EDGE

REPORT CHAPTER 2

BDO DIGITAL

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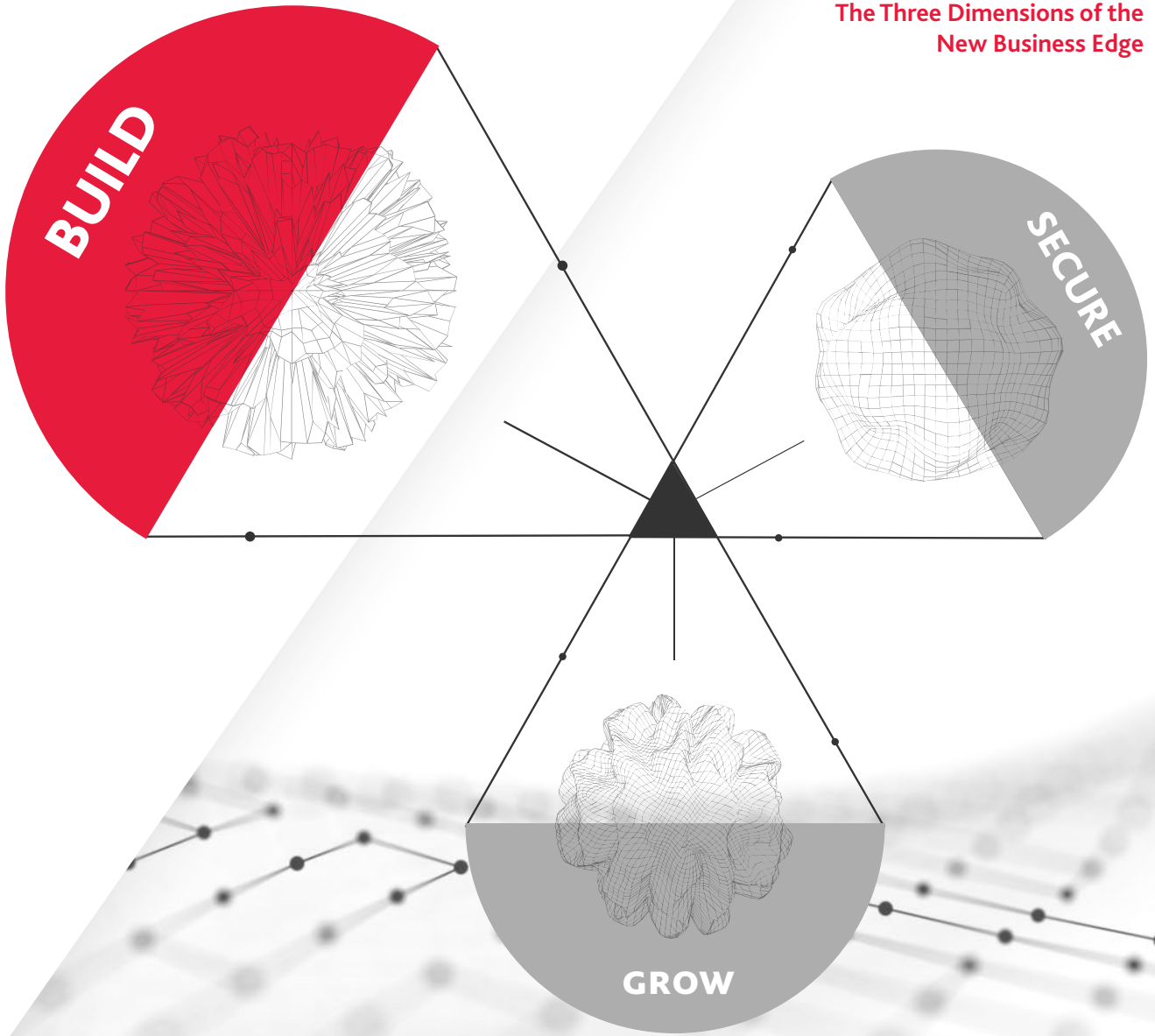
Technology continues to disrupt organisations, industries and markets – intensifying competition and raising the stakes for business leaders.

The businesses that effectively harness next-generation tools can boost operational efficiency, respond more quickly to disruption, and unlock new avenues for growth, helping them to thrive in constantly evolving environments.

The first chapter of our 2025 *Techtonic States* report introduced the three dimensions of the New Business Edge.

This chapter will look at the first and most foundational of these dimensions: Build.

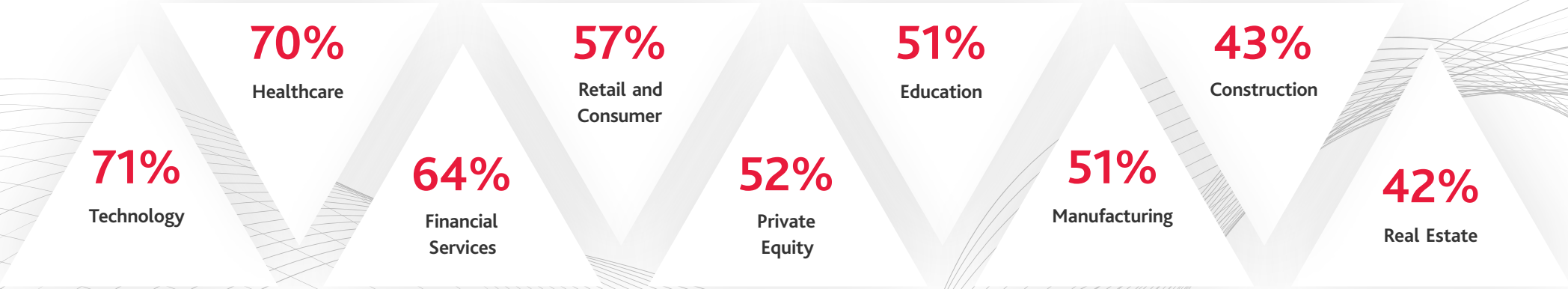
The Three Dimensions of the New Business Edge



In 2024, the organisations in our study allocated, on average, 7% of their annual revenue to IT – equating to an average of USD 590 million per organisation. And with the introduction of advanced technology promising transformative benefits, leaders are increasingly eager to accelerate adoption. In fact, 57% say their organisation is focused on fast-tracking its journey to AI value. This urgency is especially pronounced in the technology and healthcare sectors.

FAST-TRACKING AI VALUE: SECTOR SPOTLIGHT

The proportion of leaders who say their organisation is focused on fast-tracking its journey to AI value



AI has expanded technology's remit beyond the traditional IT domain and embedded it into everyday decision-making. As leaders grapple with economic volatility, intensifying cyber threats and relentless market shifts, AI is emerging as a powerful enabler. It's not just about automation – it's about accelerating resilience, agility and growth. When applied with intent, AI can help build businesses ready to thrive in the future.

VISHAL PAREKH
Chief Growth Officer, Strategy – International, BDO India

Despite growing momentum, many organisations still face significant hurdles on the path to tech success. In a turbulent economic environment, increasingly shaped by the 'World Fragmented' scenario—marked by fractured markets and disrupted supply chains—businesses cannot afford to invest in tech for tech's sake. Our research reveals that many are still struggling to lay the foundations: 42% of leaders say their organisation lacks the skills and infrastructure needed to navigate disruption effectively.

When considering the top reasons their organisation could fail to fully leverage the benefits of tech and data, leaders identify siloed or 'messy' data—unstructured, incomplete, inconsistent, or error-prone—as the biggest stumbling block, followed by cybersecurity risk.

Top Barriers to Leveraging the Benefits of Tech and Data

01	Siloed or 'messy' data
02	Concerns about increased cyber attacks
03	Lack of appropriate technical infrastructure/legacy systems
04	Concerns about sustainability implications
05	Lack of leadership buy-in

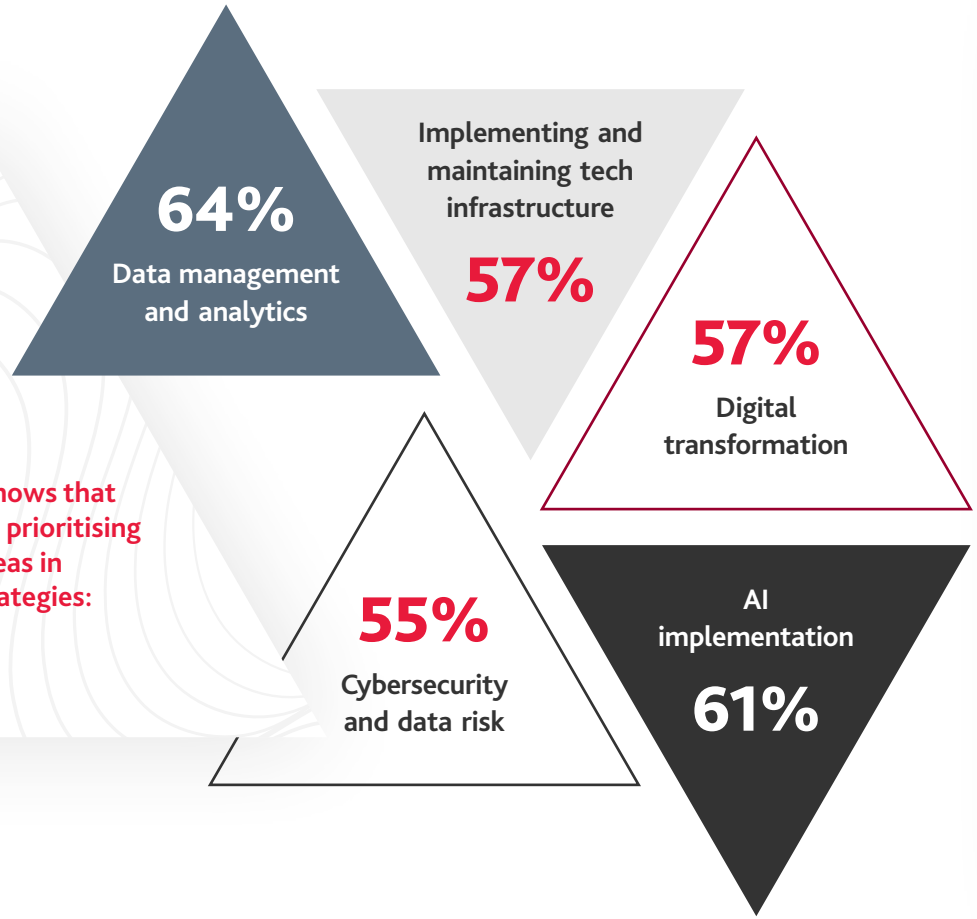
To build their edge, businesses must balance innovation with protection.

In this chapter, we explore how organisations can lay the groundwork for resilience, agility, and growth by aligning tech strategy with business goals, modernising data infrastructure, and empowering their people to turn potential into performance.

01

Sorting Out **Your Strategy**

In the race to unlock the value of advanced technologies, a clear and aligned strategy is the first – and arguably most critical – step. Organisations must ensure their digital initiatives support their overall business objectives. Without this, even the most sophisticated tools risk becoming expensive distractions.



Our research shows that organisations are prioritising five key areas in their tech strategies:

THREE KEY STEPS TO STRATEGIC ALIGNMENT

1. **Define your AI vision:** Building a strategy that's outcome-driven rather than trend-driven means defining what success looks like and working backwards. Set clear KPIs to measure the impact of AI investment and plan how to reinvest productivity gains.
2. **Identify high-impact use cases:** Pinpoint where inefficiencies and pain points exist for the business and employees – such as manual budgeting or slow forecasting in the finance function – and then explore how AI can help. Focus on real business pain points where technology can deliver measurable value.
3. **Build cross-functional teams:** There is often a gap between the vision from senior leadership and the practical realities faced by IT teams. To bridge this gap, bring business and IT leaders together early to align goals and create a shared roadmap for execution, while engaging employees throughout the process.

Data management has remained high on the list since our previous *Techtonic States* report in 2023, rising from 2nd to 1st place. With tech infrastructure and cybersecurity also climbing the agenda, this reflects a growing awareness that without strong foundations, innovation can't scale.

Unsurprisingly, AI has seen a dramatic rise in importance, jumping from 8th place in 2023 to 2nd in 2025. Yet, fewer than half (49%) of leaders say their organisation has a clear AI strategy in place. Fully leveraging this technology will require a shift in perspective: AI is not just a tool, but a strategic asset with the power to drive innovation and deliver better business outcomes.

02

Laying the **Foundation**

Amid constant technological disruption, one thing remains clear: data is essential to achieving business goals. Technology may be the enabler, but data is the engine that powers progress. This said, only 42% of leaders report that their organisation's data infrastructure is set up to fully leverage AI technologies.

Without clean, structured and accessible data, even the most advanced technologies are rendered ineffective or dangerous. Early adopters of AI have already learned this lesson. While tools like machine learning can uncover patterns and surface insights, the most meaningful outcomes – whether in risk mitigation, customer insight, or operational efficiency – depend on data that's not just available, but well-organised and reliable.

Heads in the cloud

Cloud adoption has a crucial role to play in fully leveraging your data, but our research suggests that its strategic importance is shifting. While a cloud-first strategy topped the agenda for businesses in 2023, it has dropped to 16th place in 2025 as most organisations have already begun moving to the cloud, with just 9% of leaders citing it as a current priority.

Three Key Steps to Making the Most of Your Data

01

Treat data as a core strategic asset

Embed data thinking into every part of the business, from operations to customer service. This means fostering a culture where data is used to drive decisions, and where teams actively seek out new, high-value data sources.

02

Clean before you scale

Before investing in AI or analytics, ensure your data is clean, structured, and centralised. This means bringing together data from across the organisation, eliminating duplicates and resolving inconsistencies.

03

Commit to continuous data governance

Ensure data quality isn't a tick-box exercise. Ongoing governance is essential to monitor, maintain, and improve data integrity over time – so your insights remain accurate, trusted, and actionable as your business evolves.

> *Many organisations are now technically 'in the cloud', but this is just the starting point. Too many businesses have simply lifted legacy systems into a new environment, like moving into a new house before clearing out the clutter. To unlock real value, your data must be clean, structured, and secure.*

RIC OPAL
Global BDO Digital Leader, BDO USA

03

Empowering **Your People**

By 2028, the majority of leaders (62%) believe AI uptake will be pervasive across all aspects of business. This outlook is particularly strong amongst leaders based in the USA, with 76% envisioning widespread AI adoption in the next three years.

The proportion of leaders who believe AI uptake will be pervasive across all aspects of business by 2028:

While technology may be advancing rapidly—especially in scenarios like 'World Accelerated'—successful adoption ultimately relies on a workforce that's ready and motivated to integrate these tools into everyday operations. In more human-led futures, such as 'World Sustained', resistance to change is a common pitfall to digital transformation, and yet only half (49%) of leaders believe that effective change management will be central to the success of their technology strategy. It will be crucial to equip people not only with an understanding of how to use AI tools, but also why they should embrace them and the impact this will have on their role.

Crucially, it's not just about managing change, but empowering people to thrive in it. To unlock the full value of AI, businesses must rethink how productivity is defined and measured. Time saved through automation must be reinvested in ways that drive meaningful impact. This means redesigning jobs to ensure technology augments human capabilities, rather than replacing them.

Without this mindset shift, organisations risk losing the very skills that will define future leadership. **The New Business Edge will belong to those who prioritise curiosity, creativity, and critical thinking.**

Three Key Steps to People-Powered Progress

01 INVEST IN YOUR PEOPLE

Prioritise hiring talent with strong business acumen, data literacy, creativity and, curiosity. Just as importantly, support your existing workforce through transformation with regular upskilling, AI education and open communication – equipping them to make confident, informed decisions and adapt to change.

02 REDESIGN ROLES FOR THE FUTURE

As tech becomes more powerful, it raises the bar for the unique value people bring. Engage employees early to identify where AI can automate routine tasks and enhance their roles. Then reimagine jobs around higher-value work, focusing on creativity, critical thinking, and strategic contribution.

03 ENCOURAGE EXPERIMENTATION

Innovation thrives where people feel safe to experiment and fail fast. Foster a culture that celebrates bold thinking, rapid iteration, and lessons learned as well as outcomes achieved.

Many organisations massively overlook the human side of innovation. The shelf life of a new tool may be measured in years, but your people's careers span decades. Their ability to adapt, learn, and think critically is what ultimately determines the value of your digital investments.

CHERYL FIELDS TYLER
People Strategy & Solutions Leader, Management Consulting, BDO USA

04

The Role of BDO

BDO champions the alignment of digital strategy with business strategy to create a shared vision of success and accelerate growth goals. By bringing together people, processes, and tech, we ensure digital initiatives are not isolated but integrated into broader organisational objectives.

Wherever you are in your AI journey, BDO provides comprehensive AI services and solutions to help you find efficiencies, address business challenges, and foster sustainable growth.

Visit the BDO Global website to read more about our services or get in touch with our team. ▶

To find out more about the 2025 *Techtonic States* report, read the first report chapter: 'The New Business Edge'. ▶

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