KPMG 2023 CCO Survey

Technology, Media & Telecommunications

The KPMG 2023 Chief Ethics & Compliance Officer (CCO) Survey explores how 240 CCOs from some of the world's largest (>$5 billion in revenue) companies across six industries are adapting to new global challenges and evolving risks. CCOs in Technology, Media & Telecommunications (TMT) are focused on new industry-specific regulations, progressing their ESG initiatives, and spending more on cybersecurity, data privacy, and consumer protections such as trust and safety.

Compliance pressure builds

Most TMT CCOs say regulators cause the most pressure for their organizations, whereas other industries cite their boards as the primary force. TMT is also the only industry to name investors so high on their list of pressure drivers.

Top drivers of pressure in TMT:

Regulators/ examiners: 56%

Investors/ shareholders: 47%

Social policy/ public perception: 41%

Challenges on the horizon

New regulatory requirements top TMT CCOs' list of compliance challenges over the next two years. They also say attracting capable talent is their second-most reported challenge, an exceptionally complicated issue given recent layoffs across the sector and difficulties with employee retention and upskilling current employees.

Top challenges in TMT:

56%
38%
31%

Mapping regulatory/business obligation inventories to business controls

Ability to attract capable talent to the company

New regulatory requirements

Top processes to improve

In the next two years, like most sectors, TMT CCOs say industry-specific regulations—focused on content moderation, consumer protection, and cybersecurity—are the most important processes they plan to improve.

Top areas to improve in TMT:

Industry-specific regulations 53%
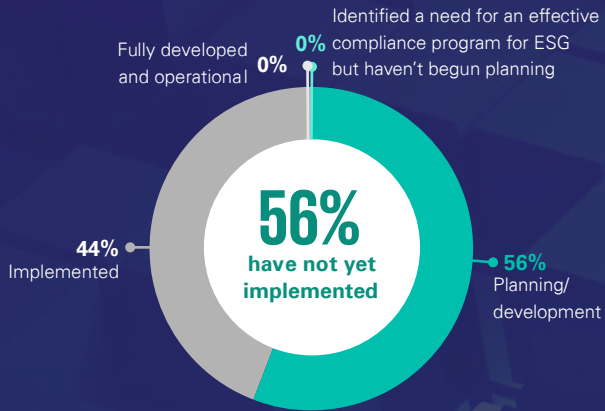
Consumer/information protection 38%

Cyber/information protection 34%

ESG: A work in progress

TMT companies are still early in their ESG journeys compared to other sectors. The majority of CCOs in TMT say they are still planning and developing for ESG.

Maturity level of ESG programs in TMT:

Fully developed and operational 0%

0% Identified a need for an effective compliance program for ESG but haven't begun planning

56% have not yet implemented

44% Implemented

56% Planning/ development

Bigger budgets for technology needs

Most CCOs have their sights set on technology and data and analytics as the top compliance activities to enhance over the next two years. The majority of TMT CCOs expect their technology budgets to rise.

TMT's budget intentions for technology in ethics and compliance functions:

69%
Increase

28%
Stay about the same

3%
Decrease

Where will the extra money go?

Data analytics, cybersecurity, and data privacy

64%

Process automation

50%

Automation

More and more, TMT businesses are looking for opportunities to automate. But, even with bigger budgets, there are still multiple obstacles in the way before automation can be widely implemented.

Top areas automated over the past two years in TMT:

59%
Risk assessments

47%
Monitoring and testing

47%
Issues management and investigations
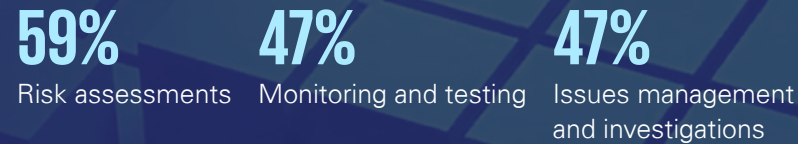
Workforce worries

Most CCOs anticipate increasing their headcounts over the next 12 months despite talent shortages. In TMT, the majority of CCOs expect their full-time headcounts to stay the same.

The number of full-time employees over the next year will:

31%
Increase

63%
Stay about the same

6%
Decrease
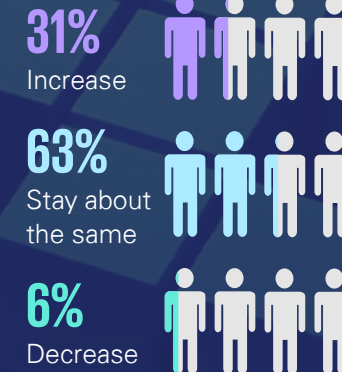
> "Mounting regulatory scrutiny and expectations will require better budgeting for technology across the TMT sector for compliance efforts, particularly to support data analytics, automation, and cybersecurity. More and more, technology plays a key role as the industry strives to build trust."

Mark Gibson
Global Head of Technology, Media & Telecommunications, KPMG International, and Head of TMT, KPMG US

What should TMT companies focus on?

Leverage investments in technology—such as generative artificial intelligence and data and analytics—to propel, optimize, and scale compliance capabilities across the enterprise.

Proactively prepare for increased scrutiny and expectations from regulators by deploying automation, predictive analytics, and intelligence to address requirements more effectively and efficiently.

Innovate and build trust simultaneously by incorporating transparency and safety measures into product and service development in a way that adds value.

For more information, contact us:

Mark Gibson
Global Head of Technology, Media & Telecommunications, KPMG International, and Head of TMT
KPMG US
mgibson@kpmg.com

Amy Matsuo
Principal and National Leader, Compliance Transformation & Regulatory Insights, KPMG LLP
amatsuo@kpmg.com

John Kemler
Principal, Advisory TMT Compliance Transformation Lead KPMG LLP
jkemler@kpmg.com

The KPMG Chief Ethics & Compliance Officer Survey is conducted bi-yearly to explore the priorities and two-year outlook of CCOs from some of the largest organizations in the world. Their responses offer valuable insights into key areas of ethics and compliance across six industries: Healthcare & Life Sciences; Financial Services; Industrial Manufacturing; Consumer & Retail; Technology, Media, & Telecommunications; and Energy, Natural Resources, and Chemicals.

Read more about the overall survey findings at read.kpmg.us/CCOSurvey.