

EXECUTIVE PERSPECTIVES ON TOP RISKS AND OPPORTUNITIES

Driving Innovation: Key Risks, Opportunities and Growth Strategies for Technology Leaders

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Successful organizations view even challenging times as catalysts for innovation and growth, actively seeking opportunities where others see obstacles.

Over the last 13 years, we have issued annual research reports on the top risks faced by leaders all over the world. This year, we have added an emphasis on opportunities to set the tone for identifying and responding proactively to emerging trends, market shifts and evolving customer expectations. Organizations balancing risk management with a strong focus on transformation are better equipped to innovate services, enhance their resilience, adapt to change, and achieve their strategic goals. It is all about unlocking opportunity.

Our 14th annual **Executive Perspectives on Top Risks and Opportunities Survey** contains insights from 1,540 board members and C-suite executives around the world regarding their views on:

- Three specific areas of opportunity considering the current environment;
- Opportunities and challenges associated with the transformative impact of artificial intelligence (AI) on their organizations;
- The top risks on the horizon for the near term (two to three years ahead) related to 28 specific risks across three dimensions (macroeconomic, strategic and operational) and for the long term (a decade from now) related to 12 risk themes that consider the strategic and operational near-term risks; and
- A discussion of their organizations' near-term strategic investment priorities, given the opportunities and the risks they face.

Our survey participants shared their views through an online survey conducted from early September through mid-October 2025. This paper offers specific insights into these issues from the perspective of technology leaders — CIO/CTO/CDO (collectively, CIO).

Where do technology leaders see the greatest opportunities for their organization over the next two to three years?

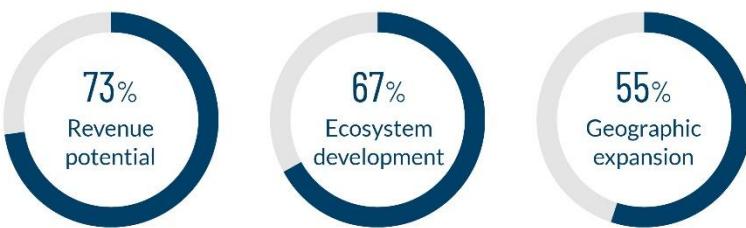
The role of the CIO has experienced a positive leap over the last few years: These leaders are continuing to expand beyond simply running IT; their role is shifting to strategic orchestrators of technology-driven opportunities and influencers of top-line performance. CIOs can unlock new revenue streams for their organizations: from data and API monetization, to data-as-a-service, analytics-as-a-service and platform-as-a-service models,

licensing of AI products, and more. So it is not a surprise that, when asked about where they see their greatest opportunities in the near future, CIOs chose revenue potential as their top area.

As technology strategists, CIOs are not limited to the four walls of the enterprise. An ecosystem of strategic alliances is now a key enabler of innovation, agility and market access. Enterprise platforms, cloud providers and AI-as-a-service can accelerate digital transformation by delivering functionality and scalability that most organizations can't efficiently or cost-effectively build alone. Leaders are no longer solely making "buy vs. build" choices but embracing "buy and build," blending speed, flexibility and differentiation to respond to a dynamic market.

Even though geographic expansion is not something CIOs are typically concerned with, more than half of tech leaders see it as an opportunity. Geographic expansion for market access doesn't have to be physical. Virtual platforms allow companies to grow their customer base and scale operations without building new physical infrastructure. Awareness of cross-border regulations, particularly around personal and customer data, is a consideration in this area of opportunity. Data privacy is also a concern CIOs highlighted in other areas of the survey.

There is optimism for potential growth opportunities



Based on a five-point scale assessing agreement/disagreement.

Percentages reflect sum of "Agree completely" and "Agree somewhat" responses.

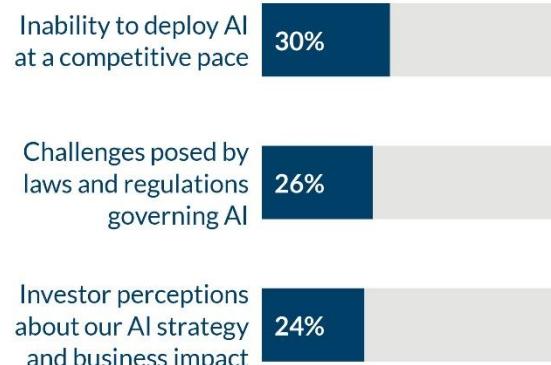
What will be the organization's most significant challenges regarding the impact of AI over the next two to three years?

Concern about the slower pace of AI deployments tops the list of AI-related challenges and signals that the opportunities AI brings are currently more important to CIOs than the bumps on the road. These bumps include regulatory challenges and investor perceptions, as well as concerns about data exposure, the ROI of AI initiatives, and AI's effect on people and employee morale. ROI concerns ranked fourth out of 14 AI-related priorities in the survey, indicating that experimentation without a clear value is not how CIOs are willing to engage with the technology. This ties into investor perceptions. Technology leaders seem aware that PR-driven AI adoption or projects with short-term ROI that cannot be sustained, or that are not part of a bigger business strategy, do not advance their agenda and can hurt the reputation of the company.

AI laws and regulations were the second most important consideration for IT leaders globally (but first for CIOs in Europe, reversing the order of the top two risks for this group). Ethical AI and compliance related to AI is becoming a mainstream issue and a deliberate speed bump on the highway meant to ensure responsible AI deployment. This is especially true in regions with strong data protection and AI regulations, such as the General Data Protection Regulation (GDPR) and EU AI Act. Risks related to data privacy and cybersecurity ranked just below the top three, but likely contribute to the regulatory concerns, highlighting the need for strong data governance and partnerships with chief data officers and data owners to avoid exposure.

An AI priority with some regional variation relates to people and the workforce. Respondents outside of North America are more concerned with declining employee morale as a result of AI, while North American respondents are placing greater focus on equipping the workforce to realize AI's value. In either case, leaders are aware that many employees fear displacement, lack confidence in using AI, or don't yet understand how it will change their existing roles. Tech leaders recognize that without a motivated, enabled workforce, AI adoption will stall regardless of investment level. This makes partnership between the CIO/CTO and human resource leaders critical, in training, change management, and communicating role and productivity expectations.

Top 3 priorities – impact of AI



What are the most significant short-term (two to three years) concerns and risks on the minds of technology executives?

Top global near-term risks

2026 rank	Risk issue	Average*	2025 rank
1	Cyber threats	3.58	7
2	Third-party risks	3.28	13
3	Operations and legacy IT infrastructure unable to meet performance expectations	3.15	12
4	Adoption of new and emerging technologies elevating the need to upskill/reskill our workforce	3.15	8
5	Economic conditions, including inflationary pressures	3.11	4

* Average based on a five-point scale where 1 reflects "No impact at all" and 5 reflects "Extensive impact."

There has been a dramatic shift in short-term risk perception in just one year. The sharp reordering of risks and the elevation of cyber, third-party risks and legacy IT to the top from much lower rankings last year indicate that technology leaders are not only excited about the opportunities but recognize the associated risks and the need to address them.

Automated processes, tools and workflows and an expanded cloud footprint increase the attack surface and complicate security challenges. AI adoption multiplies that exposure across critical domains — access, identity, data governance, resilience, and enterprise reputation — making this CIO priority a direct factor in elevating cyber risk.

Increasing reliance on external vendors and tech/ecosystem partners means many of them have direct or API access to enterprise systems. When a vendor experiences disruption or a breach, response and recovery often fall outside of the organization's control, underscoring the need to move beyond "check-the-box" compliance towards complete assessments of concentration risk and ecosystem resilience.

Operational and legacy IT is the elephant in the room that can't be ignored as CIOs strive to modernize systems and deploy new solutions. Outdated, inflexible operational infrastructure poses scalability, reliability, integration and security challenges. The elevation of this risk highlights a need for strategic modernization investments to ensure technology can support both current operations and future innovation and address technical debt over time.

Workforce and talent risks are evolving, not disappearing — tech leaders are realizing that people readiness is a gatekeeper to the success of AI and digital initiatives. Employees must continuously develop new skills, and training must occur at all levels. The near term will bring unprecedented job redesign and new roles in AI-forward organizations, along with evolved management capabilities to effectively lead a blended workforce of humans and AI agents. Ultimately, organizations must treat skill development and job redesign as an ongoing discipline to keep pace with innovation and realize the full value of technology.

Interestingly, “Emergence of new risks from implementing artificial intelligence” did not rank in the top five (it is number seven) but this underplays the true impact of AI. AI is inherently tied to many higher-ranking risks — it amplifies cyber threats, increases the risk of third-party exposures, strains legacy IT, and creates workforce challenges. Its effects do not exist in isolation but impact multiple areas prioritized by tech leaders. In essence, AI risk creates a ripple effect that influences nearly all other top priorities.

Based on these near-term risk issues, in what areas is the organization likely to invest the most over the next two to three years, and why?

Given the top position of cyber risk in both the short- and long-term outlooks, it is not surprising cybersecurity will drive investment in the foreseeable future. This is an opportunity for technology leaders to lead with a security-first mindset that accelerates transformation and stakeholder confidence and serves as a catalyst for innovation and competitive advantage. Potential areas of investment include AI-enabled threat detection, automated threat response workflows, and analytics to identify anomalous behavior across complex IT environments. At the same time, the growing use of AI within organizations is introducing new concerns around data integrity, identity management / privileged access, prompting additional investment in security fundamentals). CIOs will be looking to harness the full value of new technologies to both protect and accelerate their enterprise tech estate in partnership with their CISO/security counterparts.

The elevated focus on data privacy reflects its evolution from a sole risk concern or compliance obligation to a strategic driver. As organizations harness the full power of AI and expand the ecosystem, privacy becomes foundational to allowing CIOs to scale using data confidently and securely. Investments in privacy-by-design, data governance and embedded data controls can be seen as a competitive advantage and a trust enabler rather than simply avoiding regulatory penalties. The rise of agentic AI also introduces incremental cyber and data risks, particularly around identity and access management for autonomous agents within enterprise systems. Ensuring robust controls for agent authentication, authorization, and monitoring will be critical in an increasingly complex digital ecosystem.

Business process improvements appear to be a near-term investment as technology leaders move beyond a traditional back-office function to driving enterprise strategy and front-office transformation. Embedding AI into workflows can help organizations eliminate inefficiencies, enhance decision-making, and unlock new sources of value. These investments position CIOs to accelerate growth and deliver competitive advantage. Importantly, technology leaders understand that compliance must be built into the technology

Top investment areas



stack, not only to reduce risk of costly regulatory penalties but to enable faster adoption of innovative technologies by ensuring trust and regulatory alignment from the onset.

How do technology leaders view the 10-year risk outlook for their organization?

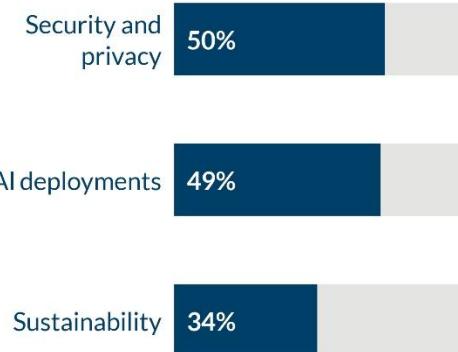
Security and privacy remain foundational to both short- and long-term strategy and are expected to be shaping investments and enterprise strategy over the next decade, especially as AI adoption grows. Cyber threats were noted as a top long-term concern last year as well; however, the cybersecurity narrative this year is shaped by more sophisticated and AI-driven threats, automated exploitation, and the emergence of quantum computing as a new threat.

AI challenges follow cyber closely, reflecting the technology's long-term potential to continue to disrupt the business and risk landscape. In identifying AI as a long-term theme, respondents have moved it from an emerging technology concern to a dominant strategic priority.

The rise of sustainability in the top three long-term themes for CIOs is interesting and likely due to a convergence of factors. A consolidating regulatory landscape around sustainability in most regions and the scale and energy demands of AI applications are starting to generate scrutiny around organizations' carbon footprint, particularly in regions like the EU where the Corporate Sustainability Reporting Directive (CSRD) requires detailed and verifiable CO2 reporting. Companies may look to invest in energy-efficient infrastructure to reduce their carbon footprint and data center costs. Flagging sustainability as the third most important theme in the long term indicates that it is not a flash-in-the-pan issue and that it will continue to inform technology strategy and shape investments in the foreseeable future.

It's important to note a few regional differences in focus in the long-term outlook. Supply chains and third-party ecosystems ranked higher for Europe, likely driven by regulations like the Corporate Sustainability Due Diligence Directive (CSDDD) and country-specific due diligence laws. North American respondents are more concerned with macroeconomic and market factors long-term, potentially due to greater exposure to volatile markets, trade shifts, and business growth pressures.

Top 3 long-term challenges



Guidance/call to action for next two to three years

Today, technology underpins nearly every business decision. The challenge for technology leaders is to turn risks and opportunities into blueprints for enterprise transformation and growth. Our call to action:

- **Continue to position IT as a strategic business partner and accelerator of top-line growth and opportunities.** Actively cultivate partnerships across the C-suite to ensure that technology considerations are properly embedded in enterprise-wide decision making, driving alignment and maximizing technology's impact.
- **Lead the charge in embedding technology into the fabric of the organization, modernizing legacy systems and enabling scale.** Re-platform mainframes and migrate to secure cloud while incrementally retiring technical debt with measurable KPIs.
- **Continue to prioritize investments in advanced cybersecurity and data privacy.** Ensure that protection and compliance are built into every layer of the technology stack. Establish data governance, embed privacy controls into products and pipelines, and coordinate with CDOs to ensure compliant, high-quality datasets for AI and analytics at scale.
- **Build relationships for scalability, agility and cutting edge.** Strengthen the ecosystem by forming strategic alliances to accelerate innovation, access new markets, and scale capabilities faster.
- **Align tech investments and AI use cases with revenue goals** and position technology as a primary driver of business enablement and organizational success.
- **Proactively manage third-party risk.** Map critical vendors and AI partners, assess shared controls, enforce contractual security requirements, and continuously monitor supply-chain exposure across cloud, platforms and APIs.
- **Upskill the workforce.** Launch targeted training, change-management and competency frameworks; equip teams at all levels to co-work with AI tools and agents and update management practices for a blended human-AI workforce.

About the author



Kim Bozzella is Protiviti's Global Lead for Technology Consulting and CIO C-Suite Solution, focused on advising technology executives on their most critical priorities, including technology strategy and architecture, enterprise platforms, data and analytics, operating model evolution, and IT value realization. With over 30 years of experience in the financial services industry, information technology, and consulting — including over 10 years as an industry CIO — Kim has been at the convergence of technology innovation, business management, and IT regulatory reform for the majority of her career.

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