

EXECUTIVE PERSPECTIVES ON TOP RISKS

for the Near- and Long-Term

AI Dramatically Reshapes Risk Landscape for Tech, Media and Telecom Firms

By Scot Glover, Global TMT Industry Leader

Technology, media and telecommunications (TMT) companies stand at a critical juncture, confronting many business risks that are increasing in scale, complexity and cost. Our 13th annual Executive Perspectives on Top Risks Survey shows rising cybersecurity threats, changing regulatory and compliance demands, and economic volatility are among the top challenges facing TMT companies.

Additionally, the survey highlights a major dynamic that is altering the risk landscape: the rapid advancement and adoption of artificial intelligence (AI). The AI boom is not only heralding a new era of opportunity and uncertainty but also challenging traditional risk frameworks.

In all, TMT board members and C-suite executives evaluated 32 risk issues, providing a comprehensive overview of the potential impacts across various dimensions over the near-term (two to three years ahead) and long-term (over the next decade).

Here are five key takeaways:

1. Cybersecurity remains a top concern for TMT companies with the rise of AI-driven systems and the proliferation of deepfake technologies and AI-enabled scams.
2. AI is changing the risk environment, requiring TMT leaders to balance innovation with security and regulatory compliance.
3. A shortage of specialised talent creates a significant barrier to innovation and growth for TMT companies, highlighting the urgent need for workforce development and reskilling.
4. Global economic conditions, including inflation and geopolitical instability, continue to influence strategic planning and decision-making.
5. Strategic investments in talent and operational efficiencies, and a multifaceted AI-strategy, are key to overcoming these challenges.

Cybersecurity concerns

Cybersecurity remains a top concern, consistent with global trends, highlighting ongoing vulnerabilities in technological infrastructure. Long regarded as a priority for TMT companies, it continues to be a major issue this year, with cybersecurity threats cited as the number one concern for TMT executives.

The rise of AI-driven systems now necessitates even more robust cybersecurity frameworks due to the proliferation of deepfake technologies and AI-enabled scams, such as fake voice and video calls, which have heightened the need to safeguard digital assets.

Meanwhile, ransomware and data breaches remain at historically high levels, with the Identity Theft Resource Center reporting 3,158 data compromises last year, matching the previous record year.¹ Last month, the FBI and the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency [warned organisations](#) worldwide about a dangerous ransomware group known as "Ghost" that is carrying out ongoing attacks targeting multiple industry sectors across more than 70 countries.

TMT leaders can no longer afford to treat cybersecurity as an IT issue; it is a vital part of overall business resilience. TMT companies should be working toward achieving cyber resilience, a state where they can pinpoint business-critical processes and build systems and structures to ensure these can keep running smoothly even during cyber incidents.

AI: a force to reckon with

The concerns of TMT leaders regarding AI are varied. While cyber threats remain the top risk according to survey respondents, the second, third, and fourth most significant risks are directly related to AI.

AI advancements have created a minefield of challenges and opportunities for TMT leaders. The stakes are high for them to not only stay abreast of the AI technology itself but also the evolving legal and regulatory environment created by its implementation. Ignoring AI risks could lead to financial losses, weaken a company's competitive advantage, and even create lasting reputational harm.

Another concern: Rapid AI adoption and emerging technologies have outpaced the availability of specialised talent, creating a significant barrier to innovation and growth. TMT executives identified this shortage of talent as the second most pressing risk in the survey. This highlights the urgent need for strategic investment in workforce development and reskilling.

The advent of *agentic AI*, which is already being used in several industries for repetitive and routine business tasks, should relieve some of the capacity and talent concerns that TMT companies face, especially in areas like customer service, business process automation, logistics, and supply-chain management. Still, TMT companies seeking to optimise operations and reduce costs with AI must also

¹ ITRC, [Identity Theft Resource Center's 2024 Annual Data Breach Report Reveals Near-Record Number of Compromises and Victim Notices](#), January 2025

invest in their workforce to turn these ambitions into reality. Leaders who take decisive action today in building resilient and knowledgeable teams will thrive in an AI-driven world.

TMT leaders cited the disruptive impact of new and emerging technologies, such as AI, as the third top risk issue. China's recent release of an open-source AI large language model surprised many observers and temporarily disrupted the U.S. tech industry. This event prompted many companies to reassess their AI strategies and their vulnerability to new open-source AI models. Read [Protiviti's take on this issue](#).

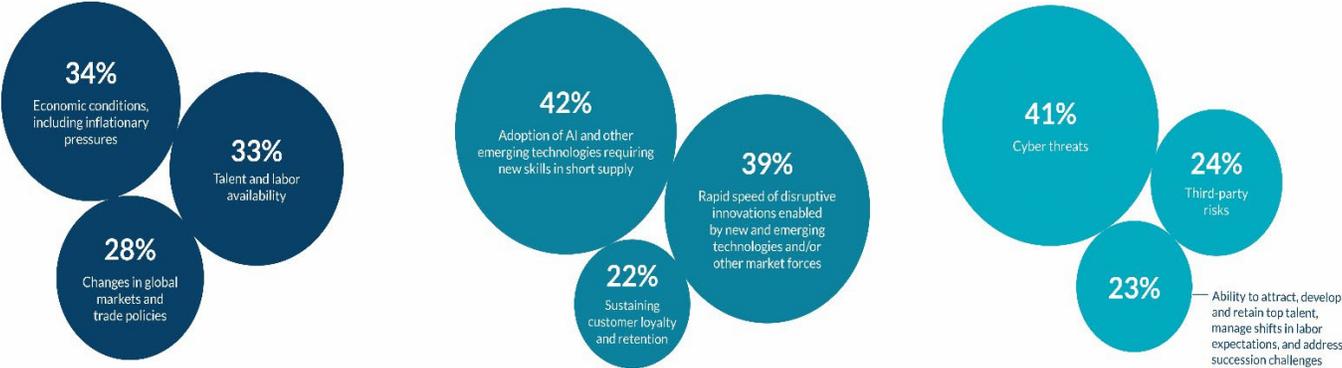
Experts recommend that a robust AI strategy should include a mix of open-source and proprietary AI models, avoid dependence on a single provider, and allow for seamless model interchangeability.

The survey also reveals significant concerns about AI implementation risks, which are ranked as the fourth top risk. AI systems can introduce unpredictability in decision-making, leading to liability and reputational issues. This explains why some companies are hesitant to fully implement AI, opting to experiment instead.

With a growing number of regulations and frameworks emerging globally, TMT companies must navigate new compliance landscapes while leveraging AI's benefits. Laws like the EU's Artificial Intelligence Act, effective August 2024, mandate transparency and understandability in AI systems. As more jurisdictions introduce AI regulations, companies must understand these rules and the AI systems they use. You can learn about the EU AI Act [here](#).

Going forward, it is crucial for TMT organisations to involve leaders from various departments and for external AI and compliance experts to guide these processes effectively. Understanding specific regulations and the data that AI systems rely on is essential for successful compliance and innovation.

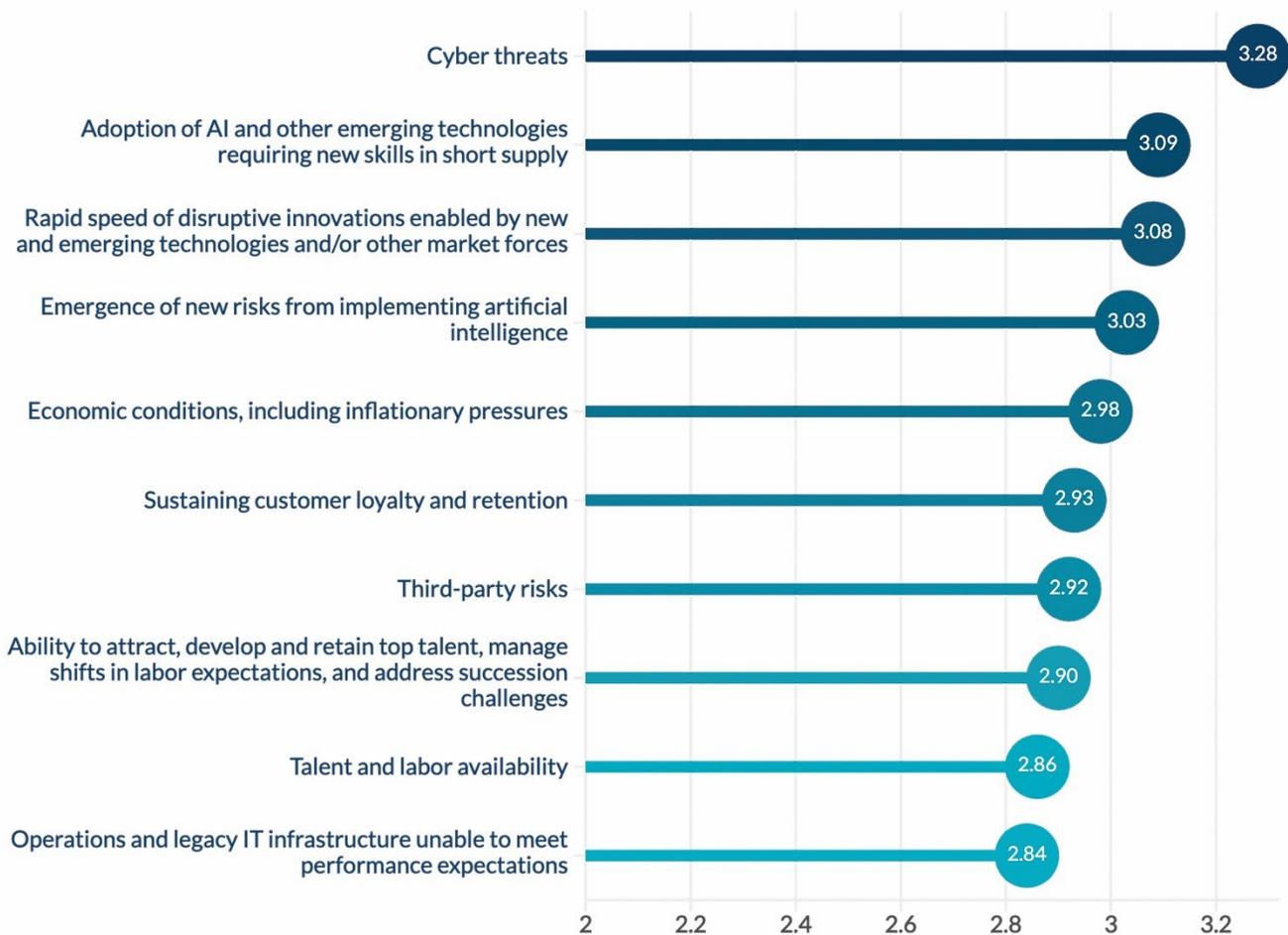
Insights: By the numbers



Other top risk issues

- **Economic and inflation pressures:** Global economic conditions, including inflation and geopolitical instability, remain top risks for TMT executives, even though AI-related challenges dominate the risk chart this year. Inflationary pressures affect cost structures and investment decisions, posing challenges for TMT companies in balancing growth and operational efficiency. These economic concerns will continue to influence strategic planning and decision-making.
- **Talent and workforce dynamics:** Demographic shifts and evolving workforce expectations are reshaping talent pipelines. In addition to proactively attracting, retaining and upskilling employees, investments in people should focus on workflow and skill development, as evolving technology demands new expertise. TMT companies should also consider the potential benefits of using agentic AI to streamline workflows and automate complex tasks.

TMT industry group – near-term outlook



What TMT companies can do now:

- **Cyber threats are growing worse:** Whether it's protecting against AI-driven threats, ransomware attacks, phishing scams, insider threats, or cloud security risks, achieving cyber resilience should be the north star for TMT companies. Collaborate with teams across the organisation to create comprehensive cybersecurity strategies. These robust cybersecurity measures should consider the added threats from AI, including those from third-party vendors.
- **AI and emerging technologies:** Harnessing AI capabilities requires a multifaceted approach that includes both in-house expertise and strategic partnerships. Here are a few important tips:
 - Discussions about governance, legal and regulatory developments, and security should be centre stage in boardrooms.
 - Start with simple projects and gradually add complexity as your organisation becomes more experienced.
 - Plan for scale: Prepare your systems to handle rapid growth and continually improve.
 - Invest in capabilities: Build teams with both business and technical skills, and partner with AI providers.
 - Focus on practical implementation, clear business outcomes, and scalable infrastructure.
 - Strategic partnerships: Address AI and other technology-related skill gaps through partnerships and outsourcing to provide necessary expertise and flexibility.
- **Economic uncertainty:** Shifts in trade agreements and policies, particularly regarding U.S.-China relations, could reshape the TMT landscape. Executives should stay informed and agile to adapt to these changes.

The bottom line: Balancing AI innovation with strong risk management strategies—covering economic factors, cybersecurity threats, and workforce issues—is crucial. Strategic resource allocation will be key to gaining and sustaining a competitive edge. Master this balance, and you'll not only survive but thrive in the fast-evolving tech landscape.

Ryan Eichenlaub, a managing director at Protiviti, contributed to this research brief.

About the Executive Perspectives on Top Risks Survey

We surveyed 1,215 board members and executives across a number of industries and from around the globe, asking them to assess the impact of 32 unique risks on their organisation over the next two to three years and over the next decade, into 2035. Our survey was conducted online from mid-November 2024 through mid-December 2024. For the near-term outlook, each respondent was asked to rate 32 individual risks on a five-point Likert scale, where 1 reflects “No Impact at All” and 5 reflects “Extensive Impact.” For each of the 32 risks, we computed the average score reported by all respondents and rank-ordered the risks from highest to lowest impact.

We also asked executives to share their perspectives about long-term risks (over the next 10 years – 2035) by selecting the top two risks from each of the three dimensions (macroeconomic, strategic and operational). For each of the 32 risks, we calculated the percentage of respondents who included that risk as one of their two top risks for each dimension.

Read our Executive Perspectives on Top Risks Survey executive summary and full report at www.protiviti.com or <http://erm.ncsu.edu>.

About the author



Scot Glover is a global leader for Technology, Media & Telecommunications in our San Francisco office and focuses on helping companies assess, understand and mitigate their most important risks to drive key business improvements. He is a member of our Internal Audit and Financial Advisory services practice which helps Fortune 1000 technology, media and entertainment companies optimise their governance, risk and compliance activities. Prior to joining Protiviti, Scot was a risk advisory services partner at Ernst & Young.

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