

The background of the slide is a complex, abstract digital landscape. It features a grid of glowing orange lines that form a 3D perspective of a network or data structure. The lines are interconnected and create a sense of depth and movement. The overall color palette is dominated by blue and orange, with a dark blue background that makes the glowing elements stand out. The top left corner of the slide is a solid orange triangle that overlaps the main background.

**BDO's tech
predictions
for 2024**

Intro

As 2024 has started, tech leaders are evaluating the challenges — and opportunities — that will help them stand out from the crowd in the new year.

To prepare for the road ahead, here are BDO's predictions for the tech industry in 2024 — and the one X-factor that could change it all.



The tech industry will put remote work in the rearview mirror

The remote work renaissance isn't here to stay. In 2024, tech companies will reverse course and implement strict return-to-office (RTO) policies - in large part due to the perceived lack of collaboration opportunities in fully remote workplaces.

In place of remote work and based on current trends, we predict most tech companies will shift to a hybrid model that requires employees to be in the office three to four days a week by the end of 2024. Full-time remote work will not disappear completely, but will be acceptable only when necessary, such as when the local talent market can't meet a company's needs or when a position requires a unique skill set.

Tech's new administrative assistant? Autonomous agents

We're already seeing [autonomous agent start-ups](#) secure major funding as all eyes in tech turn to this promising new technology. In 2024, we predict tech companies will invest in autonomous agents, moving from proof-of-concept to enterprise-wide implementation.

Initially, agents will be deployed as virtual assistants capable of handling basic administrative tasks.

However, the tech industry won't stop there. By the end of 2024, we expect to see tech companies experiment with assigning autonomous agents more sophisticated tasks, such as project planning and software development.



Generative AI will make video games (almost) limitless

The advancement of AI will usher in a new era of video games: one where the games evolve from player inputs.

Some video games already use generative AI elements to enhance their NPCs. But in 2024, we expect to see the first video game that creates new gameplay and narratives through generative AI inputs. By 2025, we expect the generative AI-enabled video game market to explode.



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In 2024, passwords are dead and passkeys are in

Passwords have well-known security problems, such as being easily guessable, susceptible to brute-force attacks, and vulnerable to phishing scams. Passkeys have an advantage over passwords in that they require both the sender and the receiver to agree that a transaction is valid through tools like PINs, biometric data, secured devices, and Bluetooth.

In 2024, we expect the vast majority of vendors will start supporting passkeys - not just the big tech companies. Additionally, while some industries will hold onto passwords longer than others, we expect the healthcare industry to transition almost entirely to passkeys in 2024 in an effort to better secure protected health information.

Tech's drive for profitable growth will result in persistent layoffs

Everyone hoped that the tech layoffs of the past year were over. Unfortunately, [layoffs seem to be sticking around](#), with a continuation of high-profile tech layoffs in late 2023.

In 2024, we expect more tech companies will be taken private by private equity (PE) firms as they seek to raise capital, secure more attractive valuations, and fix organisational issues away from public scrutiny. This is a continuation of a trend that we've seen throughout the industry over the past year. These deals will, unfortunately, lead to layoffs as PE firms look for ways to cut costs and reprioritise spending. We also predict an influx of layoffs in the telecom industry, which will explore staff reductions as a way to lower costs amid their struggles to refinance their tremendous amount of debt.

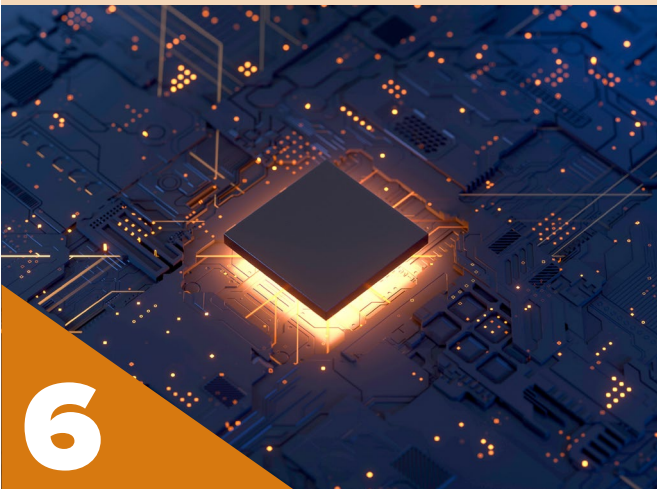


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Generative AI will hit the headlines for a new reason: cyberattacks

Cyberattacks are already a top concern for tech companies, but the threat level will reach a new high in 2024, in part because of generative AI.

Generative AI can help cybercriminals launch more sophisticated attacks on a broader scale. Companies may also be opening themselves up to security vulnerabilities by adopting generative AI without fully preparing for its associated security risks. The [UK's National Cyber Security Centre \(NCSC\)](#) believes that new capabilities like AI will have a "profound impact on the threat landscape" in the next five years. As a result, we expect to see a spike in generative AI-driven cyberattacks in 2024. We predict a significant number of these attacks targeting the healthcare industry, which is a common target for cyber attackers due to its troves of protected health information and its important role in public infrastructure.



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Tech M&A will continue its snail's pace in 2024 — but we'll see an M&A explosion in 2025

Hopes were high for a robust return to dealmaking in 2024. Unfortunately, it doesn't look like that's on the agenda for tech. As interest rates remain high - and the Fed hints at further rate increases - and the economic outlook remains uncertain, we predict tech companies will struggle to make deals. Investors will be scrutinising deal proposals carefully and will be slow to make a move. An optimistic view holds that we could see the economy stabilise and M&A activity pick up in mid-2024, but we predict the tech M&A market rebound will happen in early 2025.

From a European perspective, we have good news to report! Despite the challenges of the past year, it appears that interest rates are stabilising and there is still a strong appetite among PE buyers. This is a positive sign for the tech sector, and we believe that companies will be able to make deals in the near future. While investors may still be cautious and scrutinise proposals carefully, we remain optimistic that the tech M&A market will rebound sooner rather than later. The general assumption is that interest rates might come down in H2, which could further support the rebound of the tech M&A market. We believe that PE will start investigating exit opportunities in the second half of 2024 or early 2025.

Tech's x-factor: quantum computing

Quantum computing has the potential to vastly accelerate innovation by allowing computers to make massive calculations in seconds - the kind of calculations that today's computers can't even begin to execute. For example, researchers could design better clinician trials by using quantum computing to calculate probabilities at the molecular level, allowing researchers to narrow down the possible drug designs and approaches to those that offer the greatest chance of success.

Right now, quantum computing isn't practical or accessible to most of the world, making its uses very limited. However, once quantum computing is more reliable and scalable, it has the potential to not only change the tech industry but also transform the world.

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MORE INFORMATION

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