EXECUTIVE GUIDE

A TRANSFORMATION PROGRAM IS NOT YET A TRANSFORMATION.

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A guide for leaders accountable for transformation

THE ART OF TRANSFORMATION

Every masterpiece begins with seeing differently. Every successful transformation begins the same way.

A consequential promise begins in the boardroom. The strategy is credible. The business case has survived challenge. Funding is approved, leaders are named and the program begins with urgency. For a time, the evidence looks reassuring: workstreams mobilize, milestones turn green and activity accelerates.

Then the distance opens. Functions interpret the promise differently. Local targets compete with enterprise value. Decisions remain formally agreed yet operationally reversible. The program continues while the business outcome becomes harder to see.

> The work is too important to manage only through its visible initiatives.

THIRTY YEARS OF WARNING

The pattern has outlived several generations of management advice

In the mid-1990s, John Kotter documented recurring failure patterns across more than 100 organizations attempting fundamental change. McKinsey's 2021 research found that the transformation success rate remained at roughly 30 percent after many years of study. In 2024, BCG reported that 70 percent of transformations fail to achieve their initial goals.

These findings do not measure exactly the same thing. They should not be compressed into a universal law. But across different definitions, years and samples, the message is stubbornly consistent: transformation underperformance is not an occasional exception.

> The methods have multiplied. The odds have remained remarkably resistant.

WHAT CHIEF EXECUTIVES LEARNED

Successful CEOs did not delegate the transformation to the program

When McKinsey interviewed twelve CEOs about successful transformations, their accounts converged on ownership. They spent real time on the work every week, entered the detail, built one leadership voice and treated the transformation as something managed by the business rather than done to it.

This matters because the familiar failure statistic is not mainly a story about careless executives. It is a story about a structural gap. Leaders may govern initiatives rigorously while the wider organizational conditions that determine their effect remain fragmented and implicit.

> The program can be managed while the transformation is not.

A DIFFERENT TRANSFORMATION

AI forces leadership to establish a new human order

AI changes who does the work, who decides and who remains accountable.

Digital transformation largely brought new technology into the work of the organization. It changed tools, channels and processes while people remained the principal actors around which work was designed.

AI can change who, or what, performs that work. It can augment people, substitute tasks, redesign roles and redistribute judgment, authority and accountability. Decisions that appear technical can therefore alter the composition of the organization and the relationship between expertise, management and execution.

> AI does not establish that order by itself. Leadership will establish it deliberately or by default.

AN UNSTABLE STARTING POINT

Greater urgency cannot repair an insufficient management approach

AI is arriving before much of the previous digital transformation has been absorbed. Many organizations are carrying fragmented processes, accumulated technology, unresolved operating-model choices and benefits that have not yet reached the books. They are not beginning from a stable base.

At the same time, economic, political and regulatory conditions can overturn the assumptions on which commitments were made. Demand shifts, capital becomes more constrained, regulation changes and geopolitical events redraw dependencies while implementation is already under way.

The approaches that struggled to carry digital ambition through to sustained value cannot simply be applied with greater urgency to AI. Leadership must be able to distinguish what remains true, what has changed and which commitments should be reinforced, revised or stopped without allowing the transformation to fragment into local reactions.

This changes what leadership must manage: not only the initiatives, but the organizational system through which choices become commitments, work changes, evidence develops and value is confirmed.

> The organizational system around the work must be made visible and steerable.

THE INVISIBLE GAP

A sound strategy can still fail between decision and delivery

Strategy can be sound, delivery disciplined and change carefully planned. The transformation can still fail.

Across the distance from boardroom to floor, realities diverge, interests compete, commitments lose force and capital burns before value is confirmed. Each function encounters different evidence, constraints and consequences. That is not necessarily resistance. It is the normal condition of a complex enterprise.

> Managing the initiatives is one job. Managing the system through which they must transform the business is another.

THE STARTING POINT

The work is too important to leave the surrounding system unmanaged

Leaders can see milestones, workstreams, budgets, risks and status indicators. Those are necessary. They do not reveal the whole system determining whether strategic intent survives contact with the organization.

Strategy, delivery and change are usually governed through different forums, agendas and measures of success. Strategy is judged by the quality of direction, delivery by milestones and execution, and change by adoption. Each discipline can perform well on its own terms while the transformation loses coherence between them. Ownership may exist across several roles, but the movement from strategic intent through organizational commitment and operational effect to Booked and Sustained Value is rarely governed as one connected management system.

> Most organizations manage the visible program explicitly. The system beneath it remains largely implicit.

THE MANREAU PROPOSITION

The capacity to transform resides within the organization

Transformation does not primarily fail because organizations lack strategies, technologies, methodologies or initiatives. It fails when collective judgment, commitment and coherent action break down across the people who must make transformation happen.

The capacity to restore that connection draws on knowledge, experience, judgment and creativity distributed across the enterprise. It may be fragmented, constrained or insufficiently mobilized, but it cannot simply be imported.

MANREAU works with leaders through live transformation work to create the conditions in which people across business, technology and organization can see together, judge together, commit and act coherently. Senior judgment, specialist expertise and AI-enabled intelligence augment that capacity; they do not substitute for it.

> Deliver the value at stake. Strengthen the capacity to transform again.

OUR CONVICTIONS

Eight convictions govern the work

These positions shape what MANREAU makes visible, how we work with leaders and what the engagement is held accountable for.

01 **Transformation is no longer episodic**

02 Every organization already has a Transformation Operating System

03 **Managing initiatives is not enough**

04 **Transformation must be steered as a whole system**

05 Every transformation depends on will, skill, rigor, scope and resources

06 Culture is how transformation happens

07 Silos are perspectives to be integrated, not pathologies to be dissolved

08 The new order must be negotiated, not imposed

THE MANREAU TRANSFORMATION OPERATING SYSTEM (TOS)

TOS

Seven elements. One proprietary system. Built where transformations fail.

Each element addresses a distinct point where transformations repeatedly lose force. Together, they form three connected layers that operate as one system, not as independent tools.

The Operating Core: SITT, CADENCE and LEDGER. SITT turns different realities into collective judgment and coherent action. CADENCE puts that judgment into a recurring operating rhythm. LEDGER carries it from strategic intent to Finance-confirmed, Booked and Sustained Value.

The Intelligence Layer: TEMPER, TERRAIN and TIA. TEMPER makes transformation capacity visible. TERRAIN tests possible futures. TIA preserves evidence, decisions and organizational learning across successive rhythms.

The Capability Layer: FORGE. FORGE develops the distributed leadership capacity required to operate and sustain the system through successive transformations.

A LEADERSHIP CAPABILITY

Turn different realities into collective judgment

SITT Strategic Mobilization Environment

> See reality from different perspectives. Form collective judgment. Create commitment. Transform what matters.

SITT is the discipline through which leaders move from reality viewed through different perspectives to collective judgment, credible choice, negotiated commitment, coherent action and learning. It is practised with leaders on live strategic and operational work so immediate value and enduring transformation capacity develop through the same consequential work.

Four connected capabilities

SEE. Perceive material reality across organizational boundaries before hierarchy, reporting conventions or local interests distort what becomes visible.

INTERPRET. Determine collectively what visible reality means by testing competing explanations, assumptions, interests and consequences.

TRANSLATE. Convert collective judgment into negotiated commitment, explicit trade-offs, accountable ownership and executable priorities.

TRANSFORM. Change operational reality through consequential action, observe the effects, validate value and retain what has been learned.

A LEADERSHIP CAPABILITY

Keep consequential commitments alive

CADENCE Transformation Operating Rhythm

> Keep consequential commitments visible and steerable every 90 days.

CADENCE is the recurring rhythm through which management exercises the TOS. It integrates with established governance rather than adding a parallel meeting structure. Ninety days is long enough for operational effects to emerge and short enough to prevent drift from becoming structural.

What this makes possible

- Commit to a bounded outcome and its evidence
- Mobilize authority, resources and dependencies
- Observe what changes in live work
- Examine evidence and material divergence
- Correct what should continue, change or stop

REPLACE STATUS WITH EVIDENCE

Examine the commitment rather than the quality of the presentation

Each CADENCE cycle begins with an explicit commitment. Leadership records the intended business outcome, expected operational effect, accountable owner, required authority and resources, dependencies, material assumptions, evidence that would confirm or challenge the judgment, and the point at which it will be reconsidered.

At the next review, management compares that record with operational effects, Finance-recognized outcomes, fulfilled or broken commitments, materially different functional accounts and changed assumptions.

> The chain is explicit: strategic intent, leadership commitment, operational effect and financial outcome.

A LEADERSHIP CAPABILITY

Trace activity until it becomes value

LEDGER Value Realization Architecture

> Keep the value of a choice moving until Finance can confirm it.

LEDGER prevents transformation from becoming a collection of activities whose economic purpose is asserted only at the end. It links strategic intent, choice, commitments, operational effects and financial validation in one traceable pathway.

What this makes possible

- Define value before activity begins
- Specify the operational effects that should precede value
- Name ownership for every link in the pathway
- Distinguish forecast value from Booked and Sustained Value
- Protect the conditions required to sustain it

A LEADERSHIP CAPABILITY

Know what the organization can carry

TEMPER Transformation Readiness Diagnostic

> Make current transformation capacity visible before adding more ambition.

TEMPER establishes an evidence-based baseline of the organization’s transformation capacity. It combines stakeholder perspectives, documentary evidence and performance data without reducing the organization to a generic maturity score.

What this makes possible

- Reveal materially different accounts of the same transformation
- Identify conditions helping or blocking movement
- Distinguish missing evidence from competing interpretation
- Set priorities for strengthening transformation capacity
- Create a baseline that later rhythms can revisit

A LEADERSHIP CAPABILITY

Test the future before choices become expensive

TERRAIN AI Transformation Scenario Analysis

> Test ambition and alternative futures before implementation choices close.

TERRAIN allows leadership to compare plausible futures, trade-offs and consequences while meaningful choices remain open. It is particularly valuable when technology possibilities advance faster than organizational readiness or when early implementation creates irreversible commitments.

What this makes possible

- Clarify the ambition and value at stake
- Compare alternative futures rather than one preferred plan
- Expose consequences for authority, work and capability
- Define what evidence would change the choice
- Make a bounded commitment without pretending certainty

A LEADERSHIP CAPABILITY

Keep the reasoning when people and plans change

TIA Transformation Intelligence Assistant

> Preserve the organization’s intelligence and memory.

TIA preserves evidence, assumptions, interpretations, choices, commitments, effects and learning across each movement. It belongs to the client organization. It is not designed to extract client experience into a consulting knowledge base.

What this makes possible

- Retain why a decision was made
- Connect later evidence to earlier assumptions
- Prevent each rhythm from restarting with a new presentation
- Make learning available across leadership changes
- Support judgment without replacing it

A LEADERSHIP CAPABILITY

Build the capacity to transform again

FORGE Transformation Leadership Development

> Develop leaders who can exercise and sustain the complete system.

FORGE develops Transformation Capacity through live work rather than detached training. Leaders practise seeing, judging, committing, acting and learning while carrying real responsibility for business outcomes. As that capacity grows, leaders become Transformation Champions who can see the whole system and sustain it through successive transformations.

What this makes possible

- Build capability where consequences are real
- Strengthen collective judgment across leadership levels
- Carry learning into the organization
- Develop leaders who can operate the TOS
- Strengthen Transformation Capacity through live work

THE CONNECTED SYSTEM

What leadership should know after the first 90 days

The first movement does not redesign the entire enterprise. It uses the capabilities required by the situation to make one consequential commitment credible and observable. The sequence is not mechanically fixed; the system enters where the situation requires and reconnects the whole.

- The transformation and business value at stake
- The capacity baseline relevant to that ambition
- The consequential question leadership must resolve
- The commitment, assumptions, ownership and evidence
- The expected operational and financial effects
- What the first operating rhythm reveals

> The first cycle should create evidence rather than merely confidence.

OWNERSHIP AND OVERSIGHT

Management steers the transformation and the board oversees it

The TOS is practised by management. Leadership retains authority for decisions, execution and outcomes. MANREAU does not operate a shadow governance system, certify management's narrative or create a reporting route around the CEO.

Management uses the TOS to produce a more traceable account of how strategic commitments are becoming operational change and financial outcomes. That account reaches the board through established governance. Directors gain a more reliable basis for challenge without becoming part of execution.

A Strategic Mobilization Partner works with leaders to see and hold the whole system. As FORGE develops Transformation Capacity, responsibility moves progressively into the organization.

> Better oversight should be a consequence of better management practice, not deeper board intervention.

ABOUT MANREAU

A Strategic Mobilization Advisory for transformations that must land

MANREAU works with chief executives and leadership teams when strategic intent must survive the distance between decision, delivery, operational reality and sustained value. We begin with the situation, not a predefined catalogue of services.

A senior Strategic Mobilization Partner works with leaders to see and hold the whole transformation system. Industry and Domain Experts enter only where specialist depth changes a consequential decision. The seven TOS capabilities are brought together according to what the situation requires.

MANREAU makes the system beneath the visible initiatives more observable and steerable. Organizational capacity is augmented by senior judgment, specialist expertise and AI-enabled intelligence, while authority, execution and outcomes remain with leadership.

> Deliver the value at stake. Strengthen the capacity to transform again.

HOW MANREAU FITS

Connect existing strengths around the transformation at stake

- Works with established leadership and governance
- Respects sound strategy, technology and operating model work
- Adds Industry and Domain Experts only where material depth is missing
- Connects evidence, judgment, commitment, action, value and learning
- Builds organizational capacity through live transformation work
- Keeps authority, execution and outcomes with leadership

MANREAU connects work that often remains fragmented. The TOS gives existing governance, expertise and delivery a shared operating logic through which evidence, judgment, commitment, action, value and learning remain connected.

> Its purpose is coherence, not additional complexity.

A PRACTICAL TEST

When the surrounding system should become a leadership priority

- Strategy is clear but the organization is not moving
- Delivery progresses but the business outcome does not
- Leadership aligns in the room but commitment does not hold outside it
- AI ambition is advancing faster than organizational readiness
- The account of progress is active but not trusted
- Finance cannot trace activity to Booked and Sustained Value
- The board receives more information but still cannot see how strategy is landing

These are not proof that MANREAU has the answer before examining the situation. They signal that the problem may lie in the organizational system around the visible initiatives.

CRITICAL QUESTIONS

Questions a serious buyer should ask

Is this not already covered by our top management agenda

It should be whenever routine management can resolve the issue. SITT is used only when that system cannot convert evidence into collective judgment and durable commitment.

What is the basis for examination

An explicit prior commitment and the evidence defined when it was made, not a general progress report.

Does MANREAU claim a result before working with us

No. MANREAU scenarios illustrate how recurring situations observed in transformation work could be addressed. The diagnosis and response must be tested with leaders in their organization’s own context.

THE LEADERSHIP DIAGNOSTIC

Judgment. Commitment. Coherent action.

Leadership can use three questions to locate where transformation is losing force. Do we share a sufficiently grounded judgment about what is happening and what it means? Have the people who must carry the consequences made a credible commitment? Are decisions and actions across the organization reinforcing one another?

The lens distinguishes activity from transformation, alignment from commitment and potential value from value the business has actually realized. It reveals where assumptions have weakened, authority and incentives contradict intent, operational effects have stalled or learning is being lost.

> The advantage is not perfect foresight. It is the capacity to see earlier, commit credibly and act coherently while uncertainty remains.

NOTES ON THE EVIDENCE

The persistent pattern behind the opening story

The often repeated 70 percent figure is directional rather than a universal law. The cited sources examine different transformation types, samples and definitions of success. Together they show a persistent pattern of underperformance rather than one precisely identical failure rate.

Selected sources

John P Kotter Leading Change Harvard Business School Press 1996

BCG It's About Time Changing Change Management 2013

McKinsey The Wisdom of Transformations How Successful CEOs Think About Change 2019

McKinsey Losing from Day One Why Even Successful Transformations Fall Short 2021

BCG How to Create a Transformation That Lasts 2024

BCG Boards Can Make or Break a Transformation 2024

THE BEGINNING

Bring us the transformation that must land

The first conversation is about your situation, not our services. Bring the strategic commitment, the value at stake, what is no longer moving and what leadership must be able to decide.

We begin by establishing what is visible, what remains uncertain and where the work should begin.

> A transformation program is not yet a transformation. The organizational system around it determines what it can become.

MANREAU THE STRATEGIC MOBILIZATION ADVISORY