The 70 Percent Trap

Why Every Transformation Must Start with a Diagnosis

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The Challenge of Transformation

"Around 70% of all transformation initiatives fail."*⁾

Imagine a company that was once a market leader and innovator. Over time, however, it begins to struggle with the rapidly changing market dynamics. Rigid structures and slow decision-making processes start to hinder its ability to adapt. Meanwhile, increasing bureaucracy, with layers of outdated processes that have never been properly streamlined or removed, burdens the organization, resulting in inefficiency and frustration. As a consequence, the company's focus shifts away from what truly drives its success, leading to internal tensions, declining employee motivation, and, ultimately, a loss of market position.

This scenario is not unique — many organizations have already embarked on or are planning to launch transformation initiatives in an effort to remain competitive. However, the odds are not in their favor. Studies indicate that approximately 70% of transformation initiatives fail (John Kotter). The most common reasons include:

- **Lack of a compelling need for change:** Employees and leaders fail to see why transformation is necessary

- **Insufficient involvement:** Without active engagement from management, there is a lack of direction and support

- **No real-time feedback:** A lack of progress monitoring creates uncertainty and resistance

- **Missing co-creation:** Excluding employees means losing valuable perspectives and ideas

- **One-sided communication:** A lack of dialogue and engagement undermines the transformation process

Since transformation initiatives often dictate not only a company's success but also its survival, avoiding these common pitfalls is essential. A successful transformation begins with a clear and objective understanding of the current state — a "diagnosis." Just as a doctor would not prescribe treatment without first examining the patient, no transformation should begin without a thorough and precise analysis.

The Solution: Health Assessment as a Success Factor

"Our Health Assessment Approach provides organizations with this precise diagnosis. With a topic-agnostic framework, we enable companies to objectively assess their current situation and implement targeted optimization measures."

Why AdEx Health Assessment?

- **Flexibility:** The approach is adaptable to any type of transformation, whether Agile Maturity, Organizational Health, or SAP Stable Operations

- **Measurability:** Subjective topics like agility or culture become tangible and comparable through scientifically validated methods and Likert scales

- **Data-Driven Insights:** Automated visualizations such as spider-web diagrams and bubble charts make it easy to identify priorities and opportunities at a glance.
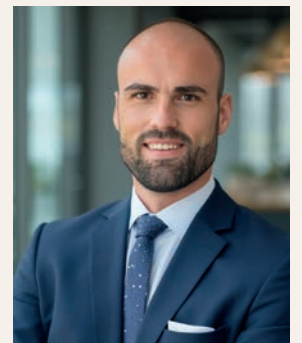
René Kräling, Senior Manager and Expert for Organizational Transformation

* John P. Kotter, A Sense of Urgency 2008

Our Approach: Step-by-Step Data Driven Transformation

The Health Assessment Approach follows a structured, proven process, enabling companies to steer their transformation efforts with data and focus. It begins with the **initialization phase,** where we collaborate with senior management to identify the organization's pain points and transformation goals. At this stage, we define the relevant dimensions and indicators that shape the assessment and establish demographic parameters for a differentiated analysis — e.g. by department, team, or location. A key step is identifying critical stakeholders to ensure all relevant perspectives are captured.

During the subsequent **data collection phase,** we combine qualitative interviews with quantitative surveys to gain a comprehensive understanding of the current state. Interviews with key stakeholders, particularly management, provide valuable insights into the organization's challenges and potential. Quantitative surveys complement this by incorporating the perspectives of a broader employee base. The thoughtful design of questions and the use of Likert scales reduce subjectivity, producing robust, scalable results.

Once data collection is complete, we proceed to the **analysis and prioritization phase.** Using a gap analysis, we identify discrepancies between the current state and the desired target state. Automated visualizations, such as spider-web diagrams and bubble charts, highlight the indicators with the greatest business value and potential. These analyses help prioritize the top 3–6 areas for development in the next transformation phase.
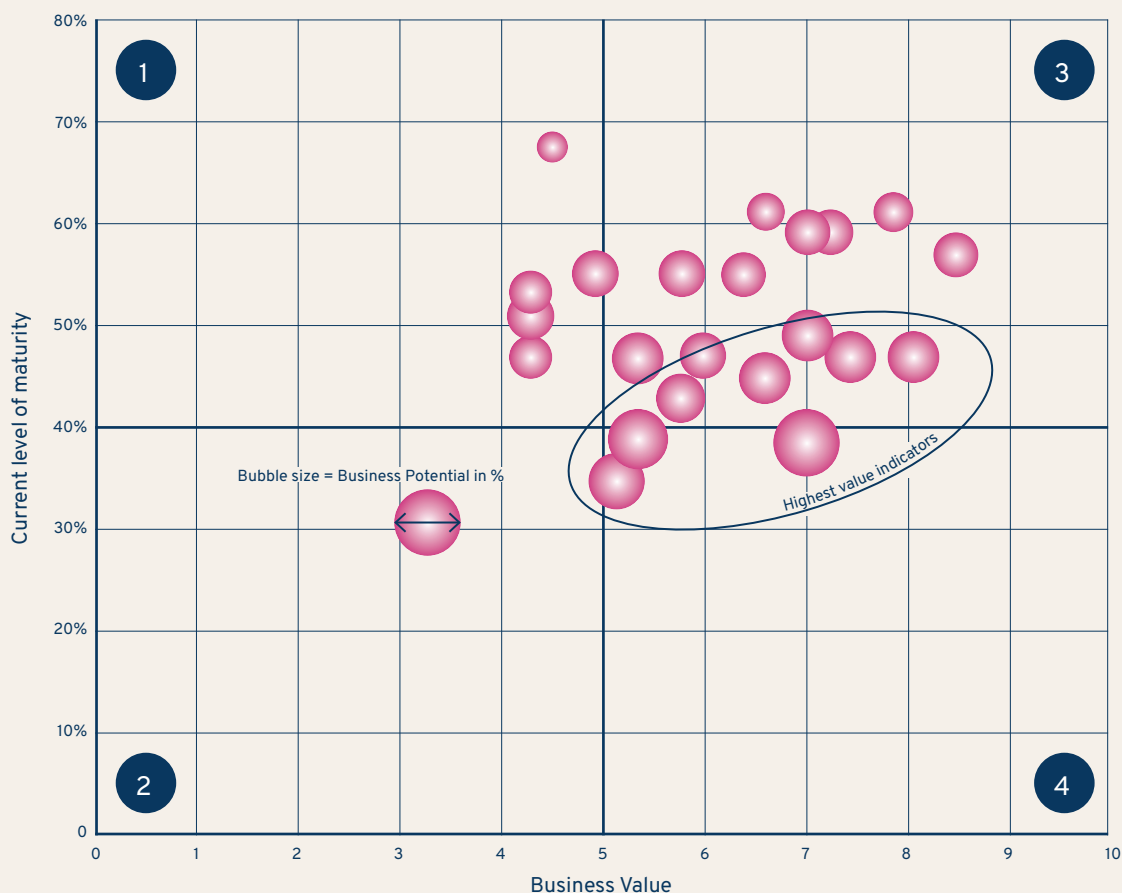

Figure 1: Visualization of the maturity indicators — each bubble represents an indicator

The visualization in Figure 1 provides an intuitive overview of maturity indicators and serves as a key tool for prioritizing transformation initiatives. Each bubble represents a specific indicator analyzed during data collection. The Y-axis reflects the current maturity level, while the X-axis shows the potential business value for the organization. The size of each bubble illustrates the indicator's potential — defined as the difference between its current maturity level and the desired target maturity level.

Special attention is given to indicators in the fourth quadrant: here, the business value is high, and the current maturity level is low. This combination offers an ideal cost-benefit ratio, as actions in these areas yield the greatest relative impact on the organization. The fourth quadrant thus becomes the strategic focus area for the next transformation phase.

This visualization enables decision-makers to quickly and confidently identify the most impactful levers for change. The results directly inform the development of a detailed roadmap. In workshops with relevant teams, targeted strategies and initiatives are crafted to capitalize on these prioritized opportunities. This data-driven approach provides organizations with a clear understanding of their current state and establishes a solid foundation for focused development — delivering maximum return on investment.

The final step involves **implementation and validation.** The roadmap acts as a guide for execution, while regular maturity assessments ensure measurable progress and enable adjustments as needed. This iterative approach ensures that the transformation is continuously fine-tuned and consistently aligned with the most valuable opportunities.

Real World Results: Our Case Studies

Our approach has proven effective across various scenarios, including:

- **Organizational transformation in an IT department:** Analysis of the strengths and weaknesses of an 800-person IT organization, leading to targeted optimization measures
- **SAP Stable Operations:** Identification of system stability weaknesses at a pharmaceutical company and the development of a targeted improvement program

Through our data-driven approach, organizations can:

- Clearly define priorities
- Execute transformations more efficiently
- Continuously measure progress and make adjustments

The AdEx Assessment Approach is topic-agnostic, meaning it can be tailored to fit any type of transformation. While this paper focused on the example of organizational transformation, the same approach can be applied to IT transformation, ERP transformation, corporate finance transformation, agile transformation, AI transformation, and more. We offer the right assessment for any transformation journey and can customize it to meet each client's specific needs. A thorough assessment takes only 2–3 weeks (depending on the agreed complexity) and requires minimal resources, yet it provides our clients with the clarity they need to ensure their transformation efforts achieve the greatest possible impact.

Conclusion: Your Key to Successful Transformation

"In today's rapidly changing market landscape, organizational health is not an option — it is a necessity. Our Health Assessment Approach provides the foundation for sustainable and goal-oriented transformations."
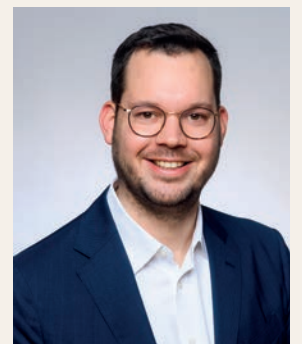
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Act now to shape the future of your organization!

Contact us for a free consultation and learn how our approach can help you overcome the challenges of transformation and achieve success.

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About AdEx Partners

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AdEx Partners' services are not limited to strategic consulting and project planning; the Trusted Advisors also remain involved during implementation and help to make complex transformation programs a success. More than 60% of DAX companies from various sectors, including pharmaceuticals, healthcare, industry, retail and financial services, trust this comprehensive expertise.

AdEx Partners has been recognized as a "Hidden Champion" three times in a row by the business magazine "Capital", has won seven "Best of Consulting" awards from Wirtschafts-Woche and has held the "Great Place to Work®" seal of approval for years.

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