Why Do 70% Of Change Projects Fail?

By Christian Rook

The Uncomfortable Truth About Change Management

The numbers are sobering: For decades, 70 percent of all major change initiatives in companies have failed.

What John Kotter described as a "brutal fact" back in the 1990s has not improved to this day. On the contrary – despite all the methods, tools, and change expertise, companies invest millions in transformation projects that, statistically speaking, three out of four are doomed to fail.

A typical example: At an automotive supplier where I was contracted, a high-profile change program had been launched with impressive PowerPoint presentations, precisely defined work packages, and an ambitious timeline. Six months later - when I began my mandate - the project was effectively dead – without formal termination, but with all the symptoms of silent failure. Regular meetings were still taking place. The presentations and KPI reports looked nice. But virtually nothing was moving forward.

The analysis revealed a pattern recurring in many companies: The project managers communicated within the project team. They had installed a whole series of regular meetings.

But communication only took place within a very small circle - and, of course, "upward."

The plan designed by this team may have matched their own ideas but crashed spectacularly against the reality of the organization.

Why Do 70% of Change Projects Fail?

Christian Rook

The Six Gravitational Zones That Pull Change Projects Down

Based on research findings from the last 30 years and extensive practical experience, six core areas can be identified that act like gravitational zones and cause change projects to fail:

1. The Fogging of the Goal

Diffuse goal images are the death of any transformation. In one technology company, for example, a "digitalization project" was to be implemented – with remarkably vague contours. The board talked about efficiency gains, middle management interpreted it as automation, and the workforce feared job cuts.

Practical rule: If three executives of a project give three different answers to the question of where the journey is headed, the project will fail – not because of the required resources, but due to fundamental disorientation.

2. The Communication Vacuum

Communication is not the background music to change – it is its heartbeat. Almost 80% of change managers see inadequate communication as the main reason for failure. At one pharmaceutical company, a smooth site relocation failed despite immense investments because an information vacuum left the most important implementers in the dark.

Practical rule: Real change requires not only big announcements but daily, detailed communication about updates, challenges, and concrete next steps, as well as agreements and synchronized action plans.

3. Leadership Ambivalence

Transformation begins at the top – or it doesn't begin at all. In 32% of failed projects, lack of commitment from senior leadership was the reason for failure. CEOs who announce a strategy to management but express doubts in one-on-one conversations create a toxic ambivalence that diffuses through all levels.

Practical rule: A world market leader in mechanical engineering failed in its realignment because the board gave in at the first signs of resistance – a signal that everyone in the company understood: "It's not meant that seriously."

4. Stakeholder Blindness

Change never affects just one group but a complex network of interests and expectations. An energy provider launched an efficiency program without involving the works councils and was surprised by their resistance – a cardinal error that cost time, money, and trust.

Practical rule: McKinsey data emphasizes: Without active support from middle management and the operational level, 97% of transformation projects fail.

Successful transformation requires systematic stakeholder management from the beginning.

5. Cultural Immune Defense

Corporate culture is the invisible operating system of every organization – and its strongest defense against change. 58% of change leaders see changing mindsets as the biggest hurdle, 49% see the existing corporate culture itself. During a merger of two very different and hostile competitors, structures and processes were discussed for months – but no one addressed the profound cultural differences.

Practical rule: Change must understand culture as a key factor, not as a soft side issue.

6. Resource Self-Deception

"Change by PowerPoint" – this is what we can call the widespread phenomenon of proclaiming transformation without providing the necessary resources. One manufacturing company declared Lean Management a program but expected managers to implement it "on the side."

Practical rule: In 33% of cases, projects fail due to lack of resources. Real change requires real investment – in time, money, personnel, and freedom. Otherwise, change becomes an additional burden and creates the opposite of what is desired: cynicism and exhaustion. It's always the best employees, who are already fully utilized before the project, who are given an additional task.

The Blind Spot: The Stakeholder Dimension

What connects these six gravitational zones is a common thread that runs through virtually all failed transformation projects: the missing or insufficient stakeholder orientation.

In a global manufacturing company where I worked as a consultant, the board decided on a new strategy focusing on sustainability and innovation. The presentation to investors was impressive, the internal communication well thought out. But something crucial was missing: They hadn't asked what customers understand by "innovation." They hadn't explored what competencies employees need for this transformation. They hadn't analyzed how suppliers need to be integrated into this realignment.

This reveals the fundamental difference between shareholder and stakeholder thinking:

In the **shareholder paradigm**, transformation is thought from the inside out: Leadership decides what is good for the company (and thus the owners) and then communicates this downward and outward.

In the **stakeholder paradigm**, transformation is understood as a balancing act – as the conscious orchestration of different, sometimes contradictory expectations.

From Diagnosis to Method: The Stakeholder Approach

This insight is not only analytically valuable but practically useful. When we consistently think of transformation from a stakeholder perspective, we not only sharpen our view of potential resistance and obstacles. We also tap into new sources of energy and support.

A success story: A medium-sized industrial company faced a profound process change. Instead of choosing the usual top-down approach, management systematically identified the relevant stakeholders – and their respective expectations for the change:

For employees, this meant job security and improved working conditions, but initially uncertainty and fears. For customers, faster delivery times and higher quality - but first adapting to changing processes at the supplier. For the region, investments in training and local value creation.

By explicitly addressing these various expectations, a narrative of change emerged that didn't come as an abstract vision from above but as a joint project with concrete, identifiable benefits for all involved. The transformation succeeded – not despite but because of the conscious inclusion of different stakeholder perspectives.

Conclusion: Rethinking Transformation

Transformation projects don't fail primarily due to technical errors but due to their one-sided perspective. They often don't consider the complex stakeholder landscape in which companies operate today. They ignore that change only succeeds sustainably when it creates recognizable value for all relevant parties – from employees to customers to society and the environment.

The systematic stakeholder approach offers a new way to view change not in isolation but in its diverse interactions with all relevant interest groups. This is the foundation of successful corporate management in the 21st century – the shift from shareholder to stakeholder value as a fundamental paradigm.

Christian Rook

Christian Rook

info@christianrook.com

www.christianrook.com