

Transformation Practice

Why do most transformations fail? A conversation with Harry Robinson

When 70 percent of transformations fail, a company needs a proven strategy to beat the odds.

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Failed transformations share common problems.

In this video, McKinsey senior partner Harry Robinson explains how McKinsey has reverse engineered these failed efforts to create a recipe for success. An edited version of his remarks follows.

Interview transcript

The academic research is really clear that when corporations launch transformations, roughly 70 percent fail.

The root causes of those failures are straightforward. As we built the Transformation Practice, we studied why transformations go off the rails. And we've found there's a number of factors that commonly crop up.

Often the CEO doesn't set a sufficiently high aspiration. During the early stages of the transformation, he or she doesn't build conviction within the team about the importance of this change or craft a change narrative that convinces people they need to make the transformation happen. People throughout the organization don't buy in, and they don't want to invest extra energy to make change happen.

Or the CEO or the leadership team doesn't address the skills in their organization. They don't have the capabilities to drive their transformation, or the key capabilities sit with people who have other day jobs, and they don't get freed up to be able to work on the transformation.

And companies often miss all sorts of procedural elements that make a transformation thrive. They don't put the right change-management infrastructure in place, or they don't establish a cadence of leadership-oversight meetings. They don't create a transformation office or set regular performance-management discussions to track progress.

When an initiative delivers half its targeted goal, how do you replenish the lost impact?

McKinsey has devised a recipe to support transformations by reverse engineering the failures and taking out bad behaviors. We've created a bulletproof plan so that if the leadership team follows the recipe we've created, those defeating behaviors won't creep into your transformation efforts.

Harry Robinson is a senior partner in McKinsey's Southern California office.