

# Establishing a Transformation Management Office:

*How a Transformation Management Office (TMO) supports executive leadership of change through the consolidated oversight, governance, and resource allocation across all transformation initiatives.*

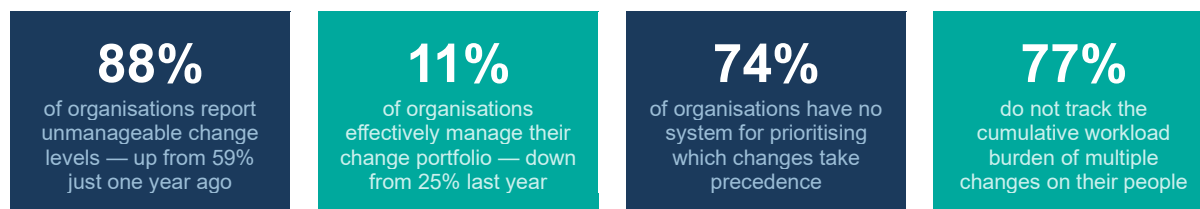
**WHITEPAPER**

**A whitepaper providing the business case for establishing a Transformation Management Office (TMO) and a description of the essential services this function provides.**

## The Strategic Context

Your organisation is simultaneously managing several significant transformation programmes including new enterprise-wide technology platforms, new products and services, restructurings triggered by new operating models. Each initiative has been authorised on the basis of a compelling business case. Each demands significant investment of time, budget, and people. And each is competing for the same finite pool of managers, subject matter experts, and operational staff.

Without a central function to coordinate, prioritise, and support this portfolio of change, we face the same organisational failure that the data shows is playing out in businesses worldwide. The [Capability for Change Report 2025](#), drawing on responses from over 500 change professionals and senior leaders globally, confirms that we are at a tipping point:



These are not numbers from struggling organisations. They reflect the experience of change leaders in sophisticated businesses across every sector. Critically, the volume of change is not expected to reduce: 88% of large enterprises are currently pursuing two or more concurrent organisational transformations (KPMG, 2025), and 64% of CEOs report investing in new technologies before fully understanding their value (IBM, 2025).

Pressure is growing because these organisational transformations are the tip of the iceberg. Access to AI tools is generating changes in how everyone works at a speed that is difficult to control. These changes are often at a very local level, so are not captured by strategic reporting because they are not managed centrally. In addition, to remain competitive and relevant, organisations are encouraged to become “change seeking” organisations, where everyone is constantly alert to opportunities and up for the challenge of finding and embracing new ways of working. This is a view put forward by the 2025 Harvard Global Leadership Development Study and is echoed by others who believe that change needs to become a core part of all work. For example, Gartner’s 2025 Gartner CHRO Study has called for change to become embedded into the daily workflow.

For these reasons, an office that takes responsibility for tracking and adjusting the resource impacts of continuous change is a necessity, protecting the stability of the organisation.

## Reasons why a Transformation Management Office is essential

The global Change Capability survey 2025 identifies a consistent and mutually reinforcing set of failures in managing increasing volumes of change:

- No single view of the portfolio
- Leaders are not equipped to lead change



- Low change capability across the organisation
- Poor employee experience of change

## No single view of the portfolio

Without the coordination and oversight provided by a Transformation Management Office it is very difficult for executives to get a consolidated picture of the total volume, cost, resource demand, or strategic alignment of all change initiatives.

When decisions about prioritisation and investment are taken without this information then there is duplication of effort, and conflicting demands on people because different divisions and departments are sponsoring similar or conflicting changes.

There is significant risk to operational performance because of the time needed by experienced staff members to sort out the changes, and of course this leads to reputational risk, because the focus is on managing changes and not service delivery to customers or management of supplier relationships.

**only  
26%**

of changes are  
prioritised

Down from 50% in the previous year. This means 74% of initiatives are treated as equally urgent, making it impossible for managers or teams to make rational decisions about where to focus their effort.

**only  
16%**

say each change  
builds on the  
previous one

Down from 51% one year ago. Without coordination, each new initiative pulls people in a different direction, compounding fatigue and undermining the momentum of earlier investments.

## Leaders are not equipped to lead change

Leadership engagement is identified in the survey as the single strongest differentiator between successful and unsuccessful change. When senior leaders actively support and model change, success rates rise significantly. When they are absent or inconsistent, they fall sharply.

- 53% of managers are not trained or equipped to lead change. A further 12% are afraid to ask for help, fearing it will be perceived as weakness.
- Leaders are not role-modelling new ways of working: the score for 'leaders role model changes' has fallen from 40% to just 24% in a single year.
- 43% of respondents say leaders do not take their teams on the journey — the survey links this directly to staff churn, at a replacement cost of between 50% and 200% of each leaver's salary.
- Fast decision-making has reached its lowest recorded level: only 16% of organisations describe themselves as fast at decision-making, down from 40% in 2022.
- 41% of leaders do not recognise that they need training or support for change leadership, making it unlikely they will invest in it for others.



An effective transformation office has a remit that includes building this internal capability for change. They build strong links with HR to ensure that responsibilities for change are correctly reflected in all role descriptions. The TMO works closely with Learning and Development to ensure access to change management training for all. This training supports development of skills in the human side of change, not methodologies, models and theories.

*"The most common factors identified by those whose last change project failed: too many changes at once, leaders not trained or equipped to manage change, and insufficient leadership involvement." — Capability for Change Report 2025*

## Low change capability across the organisation

More than 8 in 10 organisations rely on fewer than 20 dedicated change professionals to support their entire transformation agenda. As the volume of change grows, organisations are increasingly asking managers and operational staff to absorb the change work without equipping them to do so.

It is fair to say that most managers are splitting their time between two roles: perform and transform. They must achieve performance targets for themselves and their team, managing existing ways of working, whilst at the same time taking part in activities to redefine how work is done, practice these new approaches and embed them as the new normal.

**38%**

of organisations train people in change management — down from 43% last year

**34%**

of employees know what activities are required to manage change — falling over 20% in a year

**only 15%**

of organisations involve HR or L&D at the start of a change initiative

**only 11%**

of change activities are reflected in managers' role descriptions

## The employee experience of change has collapsed

Poor change experience is not merely a wellbeing concern. The survey is explicit that it creates a compounding financial cost: staff leave, productivity falls, customers notice, and each subsequent change becomes harder and more expensive to deliver. The trajectory of key indicators is alarming:

- 'We acknowledge and celebrate achievements' has fallen from 75% to 48% in a single year.
- Only 23% of organisations support those who struggle to change which is less than half the figure of twelve months ago.
- Only 29% of employees have time to adopt new ways of working (down from 45%).
- Only 31% feel empowered to get things done (down from 51%).
- Only 11% believe the level of change they face is manageable (down from 41%).

The survey makes the financial consequence explicit: organisations that invest in structured change management achieve success rates of 79% which is three times higher than the 26% achieved without it. These organisations capture nearly double the financial value promised in their business cases.

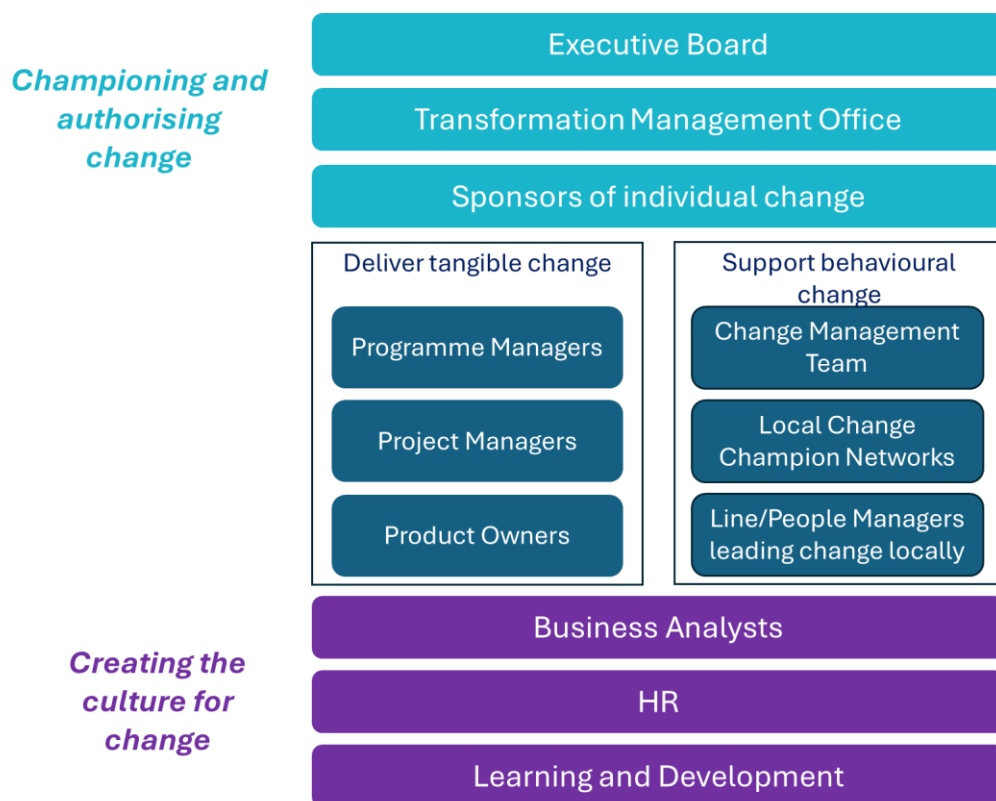
The employee experience of change becomes even more important as the volume of change increases. If someone has a poor experience of change, they will hesitate before getting involved

again. This hesitation creates more work for everyone responsible for achieving the change, as there is more work to do to reassure, encourage and cajole involvement in the change. It is the cost of distrust which extends the length of time to achieve the change and increases the number of communications and events to market the benefits of this latest change to employees who felt burned by the previous changes.

## The solution is a Transformation Management Office

A Transformation Management Office is a dedicated cross-portfolio function with two core responsibilities:

1. To give the Board and executive team the consolidated oversight they need to make confident decisions about the change portfolio
2. To provide operational managers with the practical support and tools they need to lead their teams through change, reducing dependence on external consultants and building internal capability that compounds across every future programme.



The TMO is explicitly not a traditional PMO. It is not an administrative function that chases project managers for status reports. It is a strategic function that integrates project delivery oversight with the management of human adoption recognising that benefits are only realised when people actually change how they work, and that this requires dedicated, skilled resource to achieve.



TMO Function	Board-Level Value
Portfolio oversight	A real-time, consolidated view of all change initiatives: their strategic alignment, resource demands, interdependencies, and benefit realisation progress. Enables the Board to prioritise and invest with evidence, not assumption — addressing the current position in which only 11% of organisations effectively manage their portfolio.
Benefits tracking	A consistent framework for measuring whether the financial returns promised in each business case are actually being realised. Currently only 25% of organisations measure the benefits achieved by change. The TMO makes this the norm, not the exception moving the Board from measuring time and budget delivery to measuring genuine business value.
Resource management	Central oversight of how people are allocated across all initiatives simultaneously, identifying and resolving conflicts before they create bottlenecks. Currently only 31% of employees feel empowered to get things done in large part because competing demands on their time are unmanaged and unresolved.
Change capability	Practical tools, techniques, and coaching for every manager leading change to build the internal skills that the survey identifies as the primary differentiator between programmes that succeed and those that fail. Organisations that train their people in change management achieve success rates three times higher than those that do not.
Board reporting	Regular, concise reporting on the health of the change portfolio, with clear escalation of decisions requiring Board-level authority, and evidence that transformation investments are generating the returns on which they were authorised.

## The Financial Case

Transformation programmes are authorised on the basis of a business case that sets out significant financial benefits. Those benefits whether efficiency savings, revenue growth, or cost avoidance are only realised if people change how they work. The system going live is not the benefit. The benefit is what people do differently as a result.

The research evidence is unambiguous: without a structured approach to managing the human side of change, the average project realises only 37% of its anticipated value. With professional change management, that figure rises to 67% and the probability of project success increases from 26% to 79%.

The cost of the TMO must also be set against the direct financial impact of poorly managed change on our people. The survey identifies staff churn as one of the most significant and most avoidable costs of change. When people leave during a programme because they feel unsupported or uncertain about their future, the replacement cost is between 50% and 200% of their annual salary before accounting for the loss of institutional knowledge and the time colleagues absorb in covering the gap.

Finally, there is the cost of wasted investment. Without portfolio-level oversight, organisations routinely commission initiatives that duplicate effort, conflict with one another, or fail to build on work already completed. Only 16% of organisations currently report that each change builds on the previous one — meaning 84% of our change effort risks working against itself. Central coordination prevents this waste before it occurs.



***Without professional change management, the average project success rate is 26% and only 37% of expected value is realised. With it, the success rate rises to 79% and value captured increases to 67% which is nearly double the current rate.***

## Recommendation and Proposed Next Steps

Suggest to your Board that they create a Transformation Management Office with immediate effect. The TMO's mandate should cover all current and planned transformation initiatives. The recommended first actions are:

- Appoint an executive sponsor at Board level with the authority and visibility to resolve prioritisation and resource decisions across programmes addressing the finding that only 7% of those responsible for change currently hold a board-level position, which the survey identifies as a root cause of organisational underinvestment in change.
- Commission a rapid portfolio assessment to establish the baseline: the total number of change initiatives currently underway, their aggregate resource demands, their interdependencies, and the status of benefit realisation planning for each.
- Define the TMO's operating model, including its reporting line, team composition, and the standard information it will provide to the Board covering portfolio health, resource utilisation, benefits progress, and exception escalation.
- Establish a quarterly Board reporting rhythm using a consistent format, so that the Board has the information it needs to make confident, evidence-based decisions about the transformation portfolio at each meeting.
- Commission a change capability assessment to understand where the greatest skill gaps exist across the management population leading these programmes, and to design the targeted support that will most rapidly increase the probability of success.
- Invest in a programme to build skills and ability in behavioural change, which applies the latest thinking from positive psychology and neuroscience for change.

***The choice is not whether to act, but whether to act now. Every day without coordinated oversight, the gap between strategic ambitions and capacity to deliver them widens, and the evidence shows that gap is already significant.***

*Evidence base: Capability for Change Report 2025 (500+ change professionals and senior leaders worldwide); KPMG 2025 'Transforming the enterprise of the future'; IBM CEO Study 2025; research on the financial value of change management (Agile Change Management Limited); PMO best practice research (Agile Change Management Limited). Statistical comparisons reference year-on-year data from the 2022–2025 Capability for Change survey series.*

***This whitepaper is based on insights from change management practitioners working with organisations worldwide, synthesising decades of experience in both successful and failed change initiatives.***