

AVION CONSULTING

EXECUTIVE PERSPECTIVE

Digital Transformation's ROI Gap Is a Leadership Gap, Not a Technology Gap

The technology keeps getting better. I have not seen the failure rate move an inch in twenty years of doing this work.

66%

Of digital transformations fail to hit their stated goals

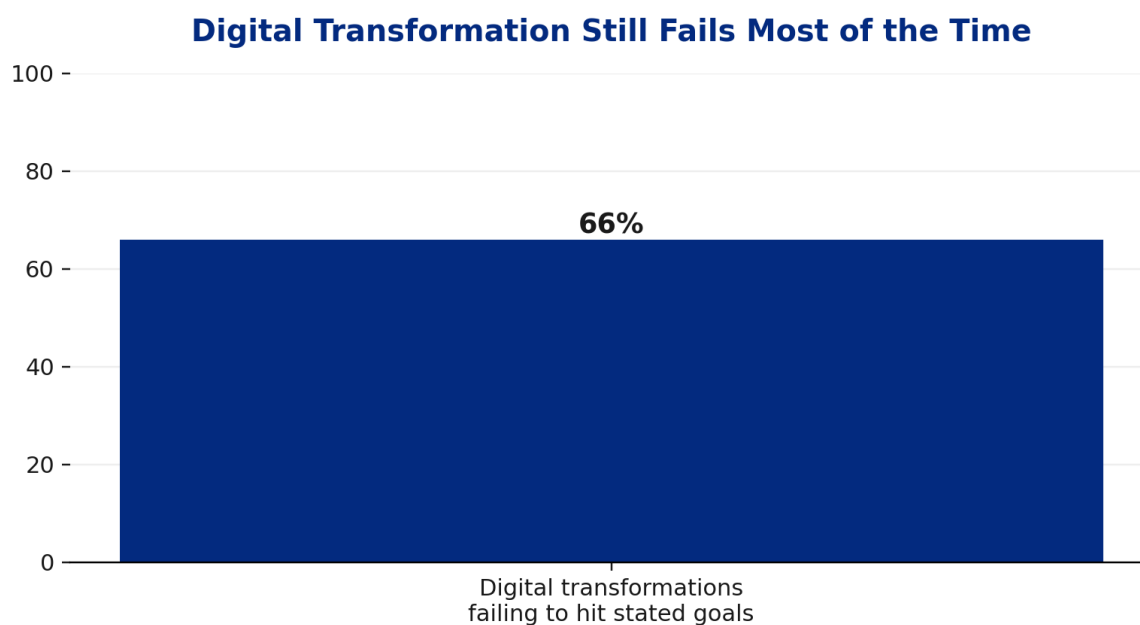
Nazma M. Rosado, MPH, MAOL, PMP

Principal Consultant, Avion Consulting

nrosado@avionconsulting.com | avionconsulting.com

Better Tools, a Number That Won't Budge

Digital transformation tooling has improved dramatically over the past decade: better platforms, better integration, better analytics, AI layered on top of all of it now. None of that improvement has meaningfully moved the failure rate. Sixty six percent of digital transformations still fail to hit their stated goals, a number that has held remarkably steady even as the underlying technology has changed generation over generation. I have watched this play out enough times to stop being surprised by it, though I am still surprised how rarely anyone asks why.

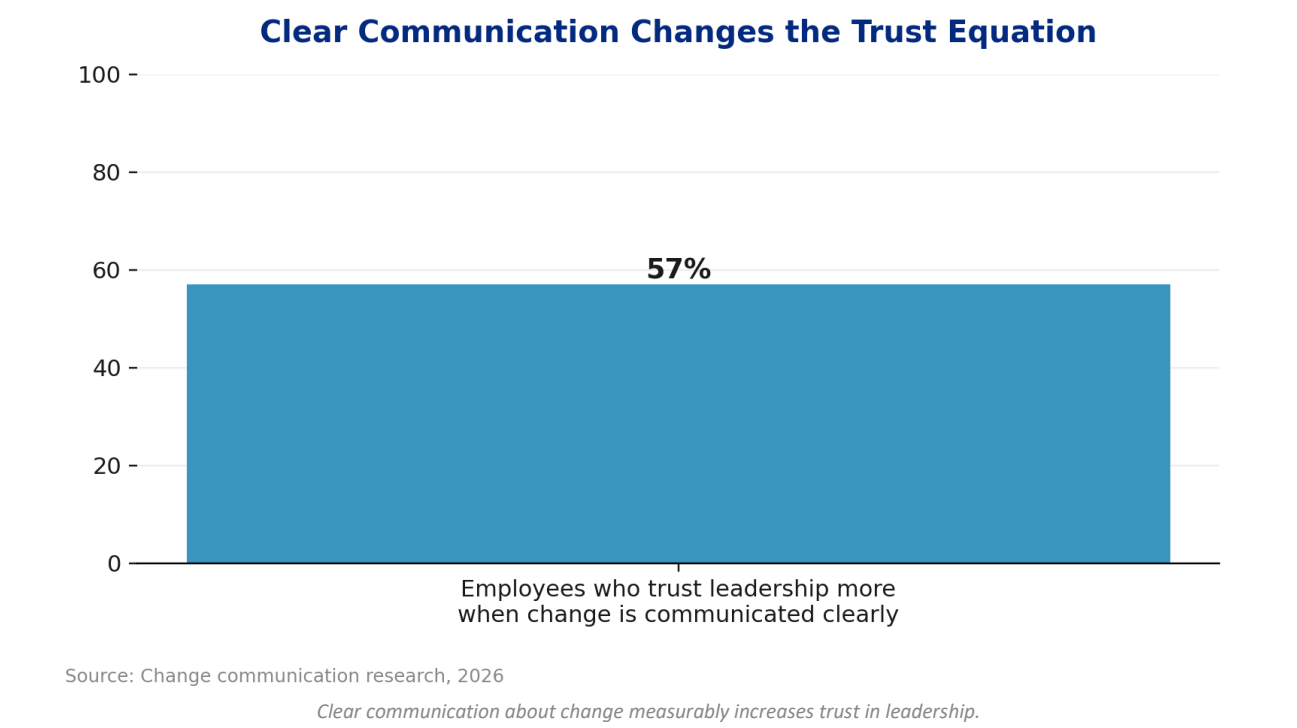


Source: Digital transformation outcomes research, 2026

Digital transformation failure rates have stayed high despite technology improvements.

The Variable That Actually Moves the Number

It is not technical sophistication. It is communication. Fifty seven percent of employees say they trust leadership more when leaders communicate clearly about the change underway, and that trust effect translates directly into adoption. Employees who trust the stated rationale for a change are measurably more willing to actually change how they work, rather than quietly waiting it out until the initiative loses momentum on its own.



The Numbers at a Glance

Metric	Figure	Source
Digital transformations failing to hit stated goals	66%	Digital transformation outcomes research, 2026
Employees who trust leadership more with clear change communication	57%	Change communication research, 2026

Where the Budget Actually Goes

Transformation budgets are still overwhelmingly weighted toward the technology itself: licensing, integration, implementation partners, with communication and adoption support treated as a smaller line item added late, almost as an afterthought. Based on what I have seen across enough of these engagements, that ratio is backward relative to what actually predicts whether the investment pays off.

Two Jobs, Two Different Fixes

For the CEO

Ask what share of the transformation budget is allocated to communication and adoption versus technology and implementation. If that ratio is heavily skewed toward technology, the plan is underinvesting in the one variable most correlated with actually landing the change.

For the CHRO

Position change communication as core to the transformation business case from the outset, not as a soft addition brought in once the technology plan is already finalized and the budget mostly spent.

The Constraint Worth Naming Out Loud

The tooling has not been the bottleneck for a long time. The bottleneck is whether leadership can communicate clearly and consistently enough that people trust it enough to actually change their behavior. That is a leadership capability question, not a procurement question, and I would rather see it resourced like one before the next transformation budget gets built the same way this one was.

References

1. Digital transformation outcomes research compilation, citing multi-year transformation success rate studies, 2026.
2. Change communication and trust research, 2026.