

# Beneath the known problems: what really makes transformation hold

White paper

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## Executive summary

The reasons transformations fail in industrial settings are well known and documented: poorly defined change strategy, misaligned leadership views on change, underestimated resistance, middle management disconnect. These remain real, generalised, and damaging. But when we spoke with leaders and practitioners across energy, chemical and manufacturing to understand what change looks like today, what emerged was a richer view of the forces that shape success or failure inside operating businesses, and of the new opportunities and pitfalls that new technologies open.

We found that transformations fail when changes in accountability are poorly defined and shared, not understood, and hastily implemented. We observed the crippling effect of leaving frontline teams out of the design and steering of change, not only on success rates, but on the ability of local wins to spread and fuel organic transformations across companies and supply chains. When this is done well, the same dynamic snowballs into profound, self-sustaining change. We found that companies that treat change as a capability succeed repeatedly, while those that treat it as an event remain exposed to all the known pitfalls and often fail.

We observed that forward-looking leaders internalise regulation and treat it as a strategic priority, translating it into operations early and engaging regulators to help shape change. They pre-empt the friction that regulation creates when it moves faster or slower than the system around it that makes transformations riskier and more complex. We examined resistance to change and found its roots in fear of specific loss. Loss of power, autonomy, jobs, relationships, and traditions. Not stubborn resistance for its own sake.

We found that the very leadership seeking change has often not addressed its own role in the transformation. It wants data-based decision making, then imposes top-down decisions in key places. It wants innovation, then does not allow for failure.

Technology deserves a chapter of its own. It is at the root of some of the most spectacular failures and the most dramatic improvement leaps. It works when it reinforces the operating model and allows organisations to leapfrog analogue obstacles. It fails blatantly when it is used to digitise, as is, processes and activities that were inefficient and unstable in the first place.

This paper sets out those findings and what they mean. The conclusion is simple. Transformation holds when it is built into daily work, decision-making, and operating discipline, not added on top of them.

## Introduction

We spoke with senior operating leaders in energy, chemical and manufacturing, the people running assets, plants, supply chains and transformations. We wanted to hear what they see now and we were interested in the part of transformation that sits beneath the usual diagnosis: the lived mechanics of change inside complex, asset-heavy businesses. Knowledge of how things really are is the foundation of every transformation, and that applies to our own work too.

The usual issues still matter. Weak urgency, vague strategy, fragmented leadership, poor communication, resistance, middle management disconnect, thin capability, weak reinforcement, and early stop-loss are all familiar and real. What the interviews pointed to was something more revealing: the deeper conditions that shape whether change actually takes hold.

## Accountability must be defined before behaviour changes

Both blame and accountability answer questions that begin with "who": who owns this, who decides, who acts, and on the other side, who is at fault, who can be named, who should absorb the consequences.

In change programmes, and even more so in culture transformations, leaders avoid defining accountability too sharply because they fear creating a blame culture. They worry that if responsibility is made explicit, people will feel exposed, defensive, or punished when things go wrong. Yet if ownership of decisions and activities is not defined, if new roles are not made clear, if what needs to stop is not explicitly identified, transformations will fail. One interviewee described it as the "Care for people versus care for business" dilemma, capturing the tension leaders feel when trying to deliver performance while also caring for people and avoiding the impression of being heartless.

The interviewees were consistent on this point. Before a change begins, people need to know who owns what, in clear operational terms. Otherwise the organisation is asking for new behaviours while preserving old ambiguity. For example, we heard how in a digital upgrade initiative, great care was taken in the selection of the hardware, software and digital platform, yet ownership of the newly generated Internet of Things (IoT) data had not been assigned.

True transformation happens when accountability is defined tightly enough to support it. Without that clarity, even a good change starts to blur.

## Successful transformations start inside the work and spread outward

The best transformations we observed begin in one plant, one team, one function, or one tool, but the change is so relevant, so aligned with operational needs, and adding such self-evident value that it cannot be contained. It spreads outward into adjacent teams, support functions, and supply chain relationships. The starting point creates enough value and clarity that others can see immediately why it matters.

One account from the interviews illustrates this clearly.

*"When the change specialists arrived on location, they realised how strong and organised the team on the ground already was, and how much they were already doing right. They took that as the starting point, and together they developed and implemented the change roadmap."*

Transformations that start like this do not stop. They do not stay local. In this instance, the client of the transforming team realised the benefits of changing behaviour as well, and the change spread from a local initiative into one that transcended the company and reached across supply chains and continents.

Real transformations change what the rest of the organisation sees as normal.

## **Frontline teams know the work better than anyone**

They usually know where the process bends, where the friction sits, what generates value. They know the shortcuts, the workarounds, the hidden constraints, and the practical fixes. Yet transformation is often designed as if that knowledge were secondary.

When those involved in the work are not involved in designing the change, plans are built on partial understanding, solutions are generic, change clashes with work activities rather than enhancing or simplifying them. When frontline teams are not used as a source of design insight, change lacks both accuracy and ownership.

The stronger approach starts with the people doing the work, putting them at the heart of change teams, enhancing the value creation workflow, and tuning it as it takes a new shape.

This does not mean turning every decision into a consultation exercise. It means starting from the work as it is and channelling action toward true value creation improvements.

## **Change holds when it is a capability, not an event**

Many organisations launch programmes in response to pressure. Change manifests itself in a sequence of discrete initiatives, each addressing a specific factor. An internal inefficiency, a market shift, a regulatory demand, cost pressure, technology disruption, or anything else that makes the status quo obsolete beyond denial.

Other organisations hire for change. They weave the ability to change into how they operate. We observed how they recruit for adaptability, curiosity and learning agility and reward employees who pivot well when priorities change. They use planning and performance processes that are flexible rather than fixed. That distinction matters more now than it used to. Energy transition, AI, and continuous operating model pressure are not one-off shocks: they are recurring conditions. A company that can only change in bursts will always be late.

The strongest organisations are not defined by discreet and opportunistic transformations: they are defined by the ability to do it as an inherent way of working, and investors are paying closer attention to that.

## **Regulation and policy move at a different speed to the businesses it governs**

A great deal is changing at an unprecedented pace: the advent of digitalisation and now AI, the emergence of the circular economy and regenerative agriculture, and the revolutions in green chemistry and novel foods. Regulation cannot keep up, and the gap makes transformations harder, especially in fast-moving industries. The pain is felt acutely in the energy, novel foods, and novel materials realms, where corporate need for change and evolution is met by inadequate regulatory and political progress.

For leaders, this means change is shaped not only by what the business wants to do and is ready to do, but by the gap between what is required, what is possible, and what the system can absorb. That gap creates delays, uncertainty, and avoidable cost.

The leaders we spoke with have stopped treating regulation as a compliance task alone. They translate regulation into operating reality early, before it becomes a late-stage constraint and they engage with regulators to help shape the change.

## **Resistance is rooted in fear of specific loss**

Resistance is often described as fear of change. That is too simple.

What many interviewees described instead was fear of specific losses: loss of control, loss of autonomy, loss of relevance, loss of identity, loss of relationships built over years. In long-tenured organisations, those losses are felt sharply.

This matters because people do not resist only the new process. They resist what the change implies about their place in the organisation. If that is not addressed, the change may be formally accepted while quietly undermined in practice.

Clarity alone is not enough. The best leaders truly understand what people believe they are giving up. They act with empathy, and they address those fears with clarity, transparency, honesty, and openness.

## **Trust is built when decisions match the change asked for**

Transformation fails when the organisation says one thing and does another. It asks for speed, then underfunds the work. It asks for data-led decisions, then leaves seniority in charge in key places. It asks for leaner operations, then overloads teams until the change becomes unsustainable. Who has not worked in an organisation that wants data-based decisions, but at budget time issues a top-down order from the Finance team to apply a 10 percent flat cut to all budget estimates?

These contradictions matter because they are visible at the point of execution. Employees see them immediately. Over time, they stop trusting the change itself.

The most effective organisations we encountered make their decisions match the direction of travel. Not perfectly, but consistently enough that people can see the logic.

## **The frame of reference must be wider than your sector**

Several interviewees noted that benchmarking only against direct peers is no longer enough. Wide-span, inward-looking transformations have become too risky.

The forces reshaping manufacturing and energy are broader than any one sector. AI, decarbonisation, electrification, and new business models are changing how value is created and captured across industries. Resilience and adaptation strategies cannot be built by looking only at oneself and a few peers.

A wider frame changes the questions leaders ask. It can reveal that a practice considered ambitious in one industry is already standard in another. It can also show where the real competitive line is moving.

The point is not to copy other sectors. It is to avoid being trapped by a narrow frame of reference.

## **Don't waste what you can change**

One of the hallmarks of the outstanding leaders we spoke with is the realisation that value can be extracted from everything, not only from what is kept after a change. Nothing is left behind. Everything is brought forward, differently. Products that were unsellable in one market are placed successfully in another, where they can become a new revenue leader. Parts of the organisation that have no future in the current setup are carved out and set up as spin-offs that, now focused, become highly successful.

These leaders find a more successful outlet for people, teams, assets, and even business units that no longer fit one structure. This can mean redeployment, carve-out, reuse, or recombination. It can also mean that transformation creates not only change, but new optionality.

Most organisations underuse this idea. They focus on what must be removed, not on what can be reconfigured. That is a missed opportunity, especially in large transitions where there is valuable, usable capability to be redeployed elsewhere.

## **Technology reinforces the operating model when it builds trust**

Digital platforms have been used for decades to strengthen controls, reduce manual error, and embed new ways of working into routine operations. Used well, they help make the right action easier than the old one. Used badly, they automate ineffective processes and amplify existing inefficiency. Employed effectively, they act as springboards, leaping over old, ineffective ways of working and enabling streamlined new ones. Deployed poorly, they become expensive distractions, "AI for the sake of AI" as an interviewee described it.

We interviewed leaders who truly understand the transformative capacity of technology. They use it not only to improve, automate, and simplify processes and work practices, but to address long-standing organisational hurdles, inefficient approval authorities, and processes defined around turfs rather than around the work itself.

They use digital platforms and AI to create transparency and trust. They enable rational decision making, performed at the most appropriate level of technical competency and organisational placement. They create a digital space that allows work to happen efficiently and that builds the trust and transparency that truly transform behaviours. These are the initiatives that bring out the transformative power of technology. The power to create a work environment in which work happens efficiently, transparently, and is therefore trusted.

## **Conclusion**

The interviews point to a conclusion that is simple to state and harder to act on. The familiar reasons transformations fail are real, but they sit on top of conditions that decide the outcome long before the standard issues become visible. Whether accountability has been defined. Whether the people doing the work have been engaged as a source of design. Whether change is treated as a capability or as an event. Whether the organisation's decisions match the change it is asking for. Whether the fear of specific loss has been understood and addressed. Leaders who take on a transformation tend to focus first on the visible issues, the strategy, the communication plan, the change programme, the technology rollout. The interviews suggest the more useful place to start is underneath. The deeper conditions are the ones that determine whether the visible work holds.

## About the authors



**Emanuele Cimica** is a strategic global industry leader with decades of experience driving business transformation and operational excellence across energy, chemicals, and manufacturing, with proven expertise in operations, supply chain, and engineering management.

His Shell career includes General Manager of Business Transformation (enabling \$1B+ cash flow improvements), General Manager of Operated Assets in Brazil (managing \$300M+ budget while tripling asset NPV), and Operations Manager at Olympus (achieving top quartile reliability). He has led transformations across Gulf of Americas, Brazil, Europe, and US operations.

His academic work at NYU explores the intersection of AI, human performance, and operational excellence. He combines systems thinking with pragmatic execution, always starting with the people who do the work.



**Esmé Fantozzi** is the founder of AklysTransform, a consultancy specializing in capturing value from the energy transition in asset-intensive industries.

With over 25 years of global leadership in major energy companies and joint ventures across Europe, the United States, the Middle East, and Asia, she has led operational excellence, digital transformation initiatives and executed strategies to achieve sustainable and long-lasting operational results in the field.

An MIT Master's-prepared engineer in Supply Chain and Logistics with a Laurea in Physics from the University of Padua, she also serves as an independent board director in a biotech company.

Esmé helps clients achieve superior performance by integrating energy transition opportunities with operational efficiency and digital innovation.