

The Capability Mindset

Turning Business Transformation Into A Repeatable Discipline

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY SAP, JANUARY 2026



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Executive Summary

Organizations operate in a world of relentless change. Navigating through competitive pressures, systemic risk, advancing technology, and workforce shifts requires constant adaptation.¹ Transformation is no longer a one-time event — it's a living reality and a strategic asset for organizations. Yet many companies still approach transformation as a series of isolated one-off projects, often limited to specific functions or technology upgrades. Because of this fragmented, siloed approach, companies fail to connect their efforts, slowing decision-making and continually failing to deliver expected results.

In 2025, SAP commissioned Forrester Consulting to evaluate companies' business transformation readiness. Forrester conducted a global online survey with 1,007 VP-level-and-above decision-makers across Asia Pacific (APAC), EMEA, Latin America, and North America responsible for transformation strategy and execution at large enterprises to explore the state of their transformations, capability gaps, and drivers of success.

We found that while ambition is high, execution remains inconsistent. Companies struggle with fragmented strategies, siloed data, and poor communication of a transformation vision as barriers that impede scalability and erode value realization. The path forward through the transformation journey is to move beyond ad hoc initiatives and build a repeatable capability and capacity for transformation. Integrating strategy, processes, and technology into a cohesive framework enables companies to accelerate execution, improve success rates and measurement of outcomes, and sustain ongoing innovation to thrive amid continuous change.

Key Findings



Transformation is continuous — but still fragmented. While 72% of organizations run four or more transformation initiatives annually, most remain siloed and disconnected. Without a repeatable capability, transformation efforts stall and fail to scale.



Process and IT misalignment is the top execution challenge. Respondents cite broken process flows as highly challenging, compounded by siloed ownership and lack of real-time monitoring — clear signs that process, data, and risk still operate in isolation.



Data is a strategic asset — not just an enabler. Poor data quality and data silos are top barriers to transformation success. Treating data as secondary undermines decision-making, slows execution, and limits the value of emerging technologies.



Culture is the differentiator. Technology and process are foundational, but transformation leaders embed change into the organization's DNA. Leaders prioritize early employee involvement, dedicated change functions, and digital adoption management to drive resilience and scale.

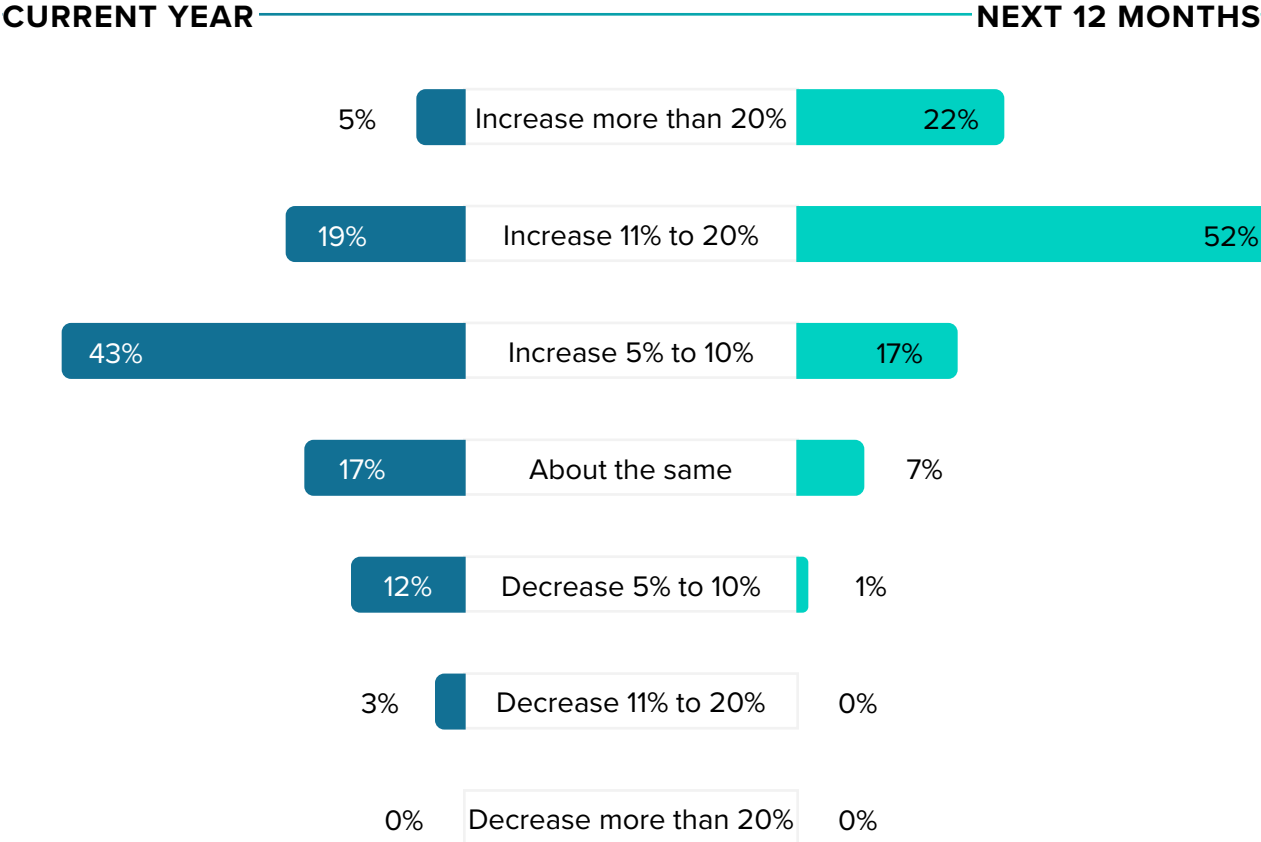
Transformation Moves From Episodic To Ongoing

Companies can't afford to stand still. Evolving markets, advancing technology, and shifting customer demands require firms to evolve and adapt.² Transformation — once perceived as a set of one-off, siloed initiatives — is now a constant requirement for survival. Business as usual no longer exists, and emerging trends force companies to continuously adapt their transformation priorities.³ In fact, Forrester research shows that even under challenging market conditions, companies continue to commit to business transformation initiatives.⁴ Yet many organizations still treat it as a series of discrete initiatives rather than an integrated, enterprisewide capability. Our survey of more than 1,000 senior decision-makers revealed the following about organizations' investments in transformation initiatives:

- **Transformation is constant but still fragmented.** Change is no longer rare. Nearly three-quarters (72%) of companies annually undertake four or more enterprisewide transformation initiatives. Almost one in five (18%) run six to nine initiatives, and 16% report 10 or more. Only 1% undertake just one initiative per year, signaling that transformation is no longer a rare or isolated event — it's a recurring feature of enterprise strategy. Despite the continuous nature of transformation, our data shows that transformations themselves still frequently occur in isolated functions and lack an enterprisewide strategy.
- **From discretionary spend to ongoing investment.** The money is following the ambition. More than half of organizations (52%) plan to increase their transformation investments by 11% to 20% in the next 12 months, and another 22% expect to boost it by more than 20%. This marks a sharp rise from current levels, where only 19% reported an 11% to 20% increase and just 5% exceeded 20%. Notably, only 1% expect to reduce investment — a clear signal that transformation is now viewed as a strategic necessity, not a discretionary cost (see Figure 1).

FIGURE 1

Investment In Business Transformation Efforts In The Past Year And The Next 12 Months

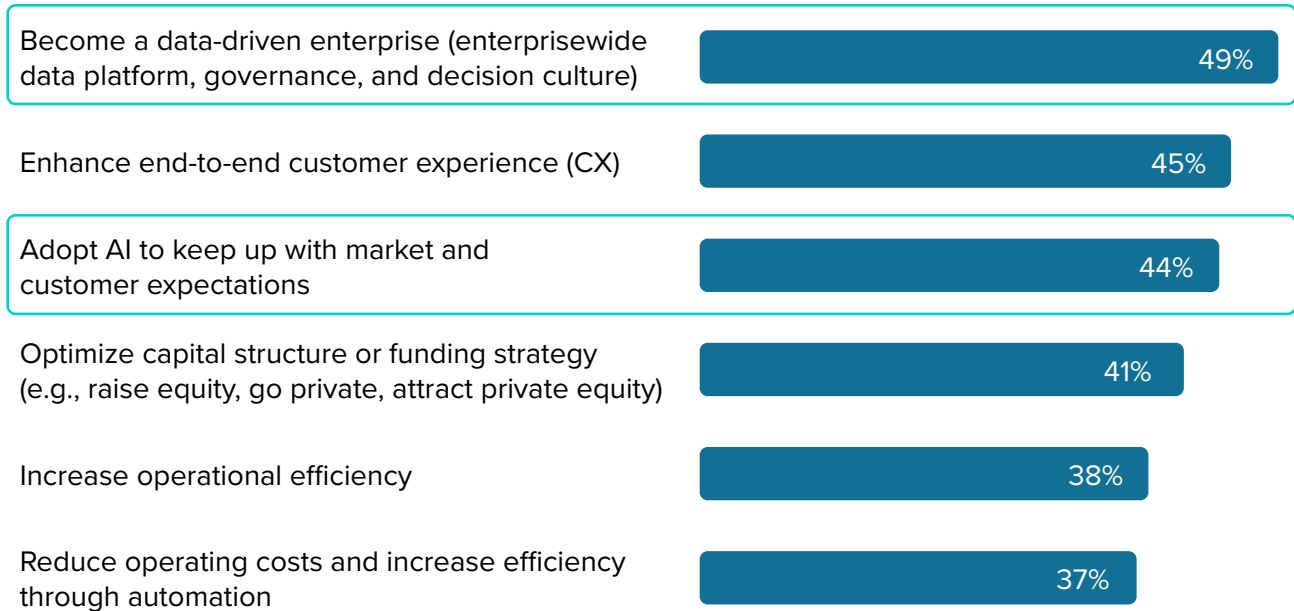


Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

- **Data and AI dominate the agenda.** Becoming a data-driven enterprise tops the priority list (49%), underscoring the strategic importance of enterprisewide data platforms, governance, and decision culture as a catalyst for growth and innovation.⁵ Enhancing end-to-end customer experience (CX) (45%) and adopting AI to meet market and customers' expectations (44%) follow closely (see Figure 2). These priorities reflect a shift toward agility and insight-led operations. Forrester research warns that transformation leaders will struggle to deliver value without a clear data vision underpinning their strategy.⁶

FIGURE 2

“Which of the following business priorities will be most important for your organization over the next 12 months?”



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

CONFIDENCE IS HIGH, BUT EXECUTION IS UNEVEN

Transformation ambition is high: Eight in 10 respondents say their organizations encourage innovation, manage risk effectively, and embrace change. But intent alone is not enough, and when it comes to execution, the story changes. While organizations believe they are ready for transformation, confidence does not always translate into capability. Few firms embed the practices needed to execute consistently, suggesting that transformation remains aspirational rather than operational — a mindset without the mechanisms to deliver. Closing this gap requires more than intent: Organizations need high levels of insight, clear communication strategies, and sustained upskilling to institutionalize transformation practices.

- **Mindset outpaces mechanisms.** Most organizations believe they are transformation-ready: More than 80% of respondents express confidence in their transformation mindset, agreeing that their leaders encourage

innovation and manage risk effectively. Additionally, 77% of executives agree that their EA practice can rapidly support major strategic or process shifts, and 79% of respondents report having a comprehensive visibility into its operations and processes, enabling rapid adaptation to change. These findings suggest that many organizations are already operating with a transformation-ready mindset (see Figure 3).

- Execution practices lag behind.** Execution tells a different story. Our study reveals that only one in four organizations (24%) have a cross-functional transformation governance board to align business, process, and technology priorities. Similarly, few embed transformation goals in KPIs (25%) or maintain a roadmap for legacy system modernization (26%). These gaps show that many organizations lack the governance, systems, and cross-functional coordination to deliver transformation effectively.

FIGURE 3



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
 Source: Forrester’s Q3 2025 Business Transformation Survey [E-64636]

THE BUSINESS TRANSFORMATION MATURITY JOURNEY

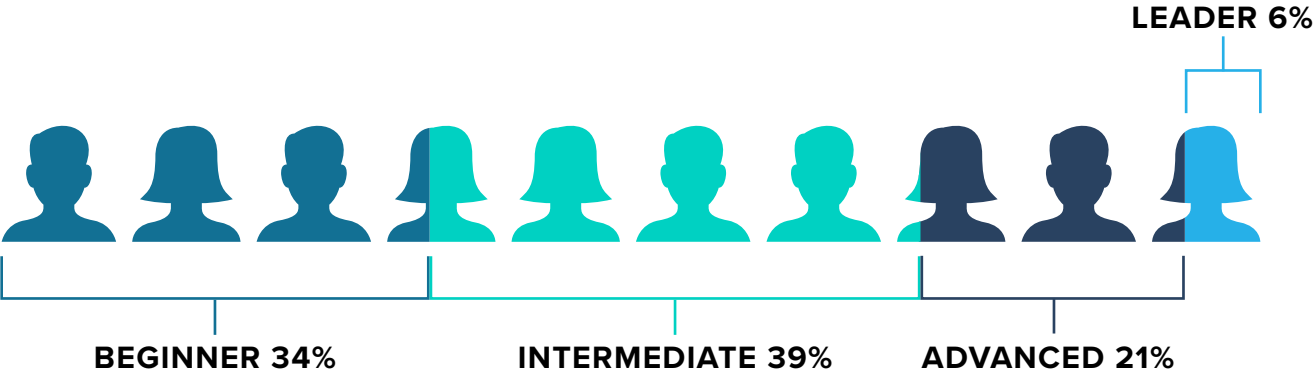
To assess the business transformation maturity of respondents' organizations, we created a framework that examines their capabilities across five dimensions: 1) strategy and leadership, 2) applications and technology, 3) process, 4) data, and 5) people and culture. Using this framework, we uncovered four stages of maturity (see Figure 4):

FIGURE 4

The Business Transformation Maturity Assessment



The Assessment Revealed Four Levels Of Maturity



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
 Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

- 1. Beginner (34%).** Organizations at this stage are still figuring out how to approach transformation. They often operate in silos, lack an integrated enterprisewide strategy, and face foundational capability gaps such as poor data quality and talent shortages. Only 19% strongly agree that they have visibility into operations and processes to enable rapid adaptation, and none report having a cross-functional governance board to align business, process, people, and technology priorities. Confidence in execution is low — just 14% strongly agree that their EA practice can support strategic shifts, and none embed transformation goals into leadership KPIs (compared to 41% of leaders).
- 2. Intermediate (39%).** These firms have made progress but struggle to scale transformation beyond departmental boundaries. While they have addressed some technical gaps, execution remains fragmented. Governance is inconsistent, and alignment between business and IT is still developing. Only 6% strongly agree that they apply process governance frameworks throughout the transformation lifecycle, and just 33% report strong visibility into operations. While 32% say their EA practice can support change, the lack of integrated governance and cultural readiness continues to hinder scalability.
- 3. Advanced (21%).** Advanced organizations have largely mastered technical and process-related challenges and are shifting focus toward sustaining adoption and embedding transformation culturally. They report high confidence in risk governance (95%) and innovation culture (91%), and 44% strongly agree that they have visibility into operations for rapid adaptation. However, only 17% apply process governance consistently post-rollout, indicating that while execution is strong, scalability and consistency remain areas for improvement.
- 4. Leader (6%).** Leaders operate with transformation as a continuous capability. They report near-universal confidence in architecture alignment (98%) and risk governance (98%) and are most likely to embed transformation into KPIs and leadership performance reviews. More than half (51%) have a cross-functional governance board aligning business, process, people, and technology, and 64% apply process governance

frameworks throughout the lifecycle. Their focus is on sustaining adoption, scaling impact, and refining transformation as a repeatable enterprisewide capability.

As organizations advance in their transformation maturity journey, their confidence in core capabilities grows significantly. This progression fosters stronger alignment between business and technology, more robust risk governance, and a culture that embraces innovation and adaptability. Yet with only a small fraction reaching the leader tier, most organizations still have significant ground to cover, especially in building the cultural foundations that underpin transformation maturity.

- **Maturity matters.** As organizations progress along their transformation maturity journey, confidence in critical capabilities rises sharply. Alignment between business and technology improves from 61% (beginners) to 98% (leaders), and risk governance rises from 66% to 98%. Leaders also report stronger cultural readiness, with 97% encouraging innovation and risk-taking, up from 73% among beginners. Additionally, belief in ongoing innovation as a source of resilience climbs from 67% to 95%. These findings underscore a clear trend: As organizations build capability, they also build confidence — which translates into stronger alignment, faster execution, and greater resilience (see Figure 5).
- **Excellence is multidimensional — and still elusive.** Few organizations have reached the top of transformation maturity. Just 6% qualify as leaders, while 34% remain beginners and 39% intermediates. Even advanced firms (21%) face challenges in consistently scaling transformation. This distribution highlights that most organizations are still building foundational capabilities and that the journey from ambition to execution requires sustained investment in governance, process integration, and cultural alignment.

Our study findings reinforce a key insight: Transformation maturity is both cumulative and cultural. For leaders, transformation is no longer a one-off initiative — it's a capability embedded in governance, process, and behaviors, enabling continuous readiness to adapt and evolve. Nearly all

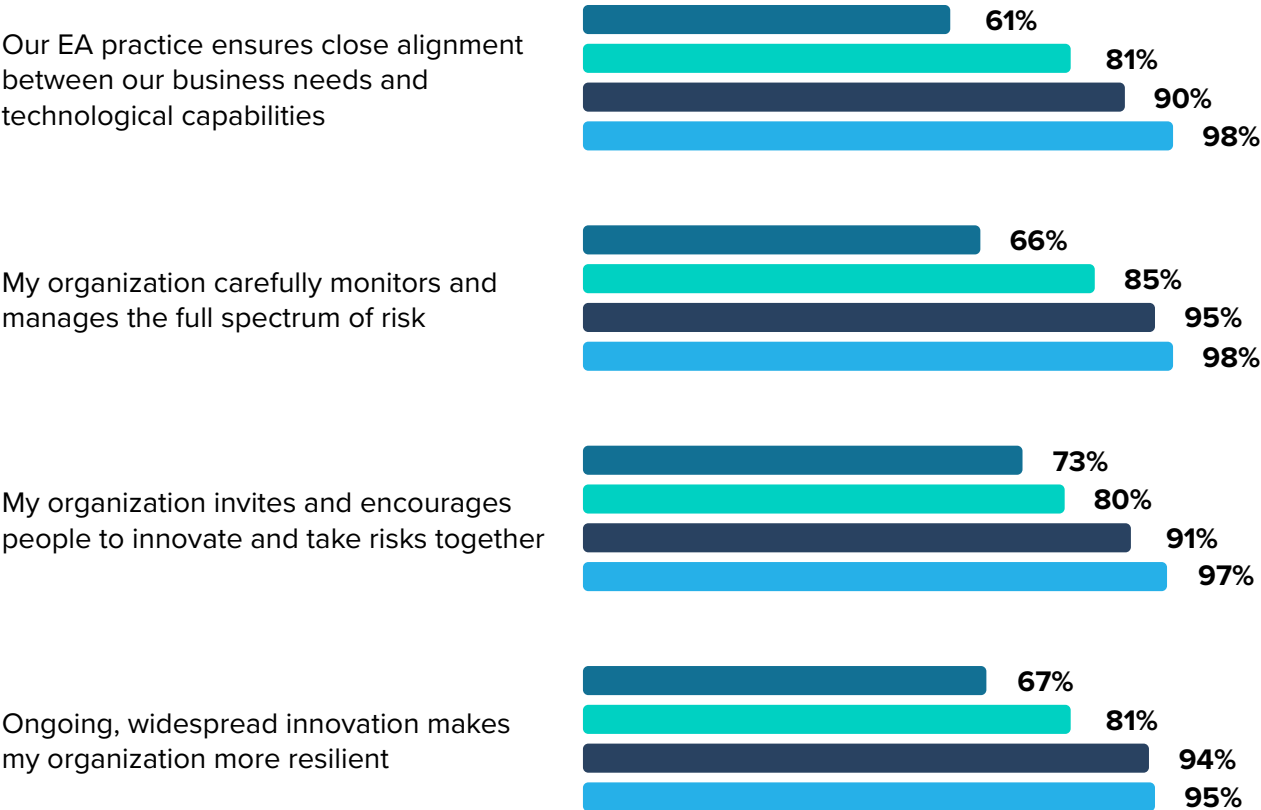
leaders (98%) report strong alignment between business and technology as well as robust risk governance, and they are most likely to embed transformation goals into leadership performance metrics. Yet with only 6% of firms operating at a leader level and fewer than 30% applying critical execution practices, the challenge for the majority of companies is clear: ensuring that these capabilities are not only present but consistently applied and continuously refined across the enterprise.

FIGURE 5

“How much do you agree or disagree with the following statements about your organization?”

(Showing “Agree” and “Strongly agree”)

● Beginner ● Intermediate ● Advanced ● Leader



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
 Source: Forrester’s Q3 2025 Business Transformation Survey [E-64636]

Strategy And Structure Are Fragmented

Ambition and spend are rising, but the organizational mechanics needed to scale transformation remain immature. Execution gaps reveal unclear ownership, limited visibility into core practices, siloed strategy and funding that dilute impact, and foundational constraints across processes, data, technology, and people. This results in transformation activity that too often remains siloed, with value delivered unevenly across the enterprise.

Execution maturity lags behind intent because transformation practices are largely invisible. Across the 25 statements assessing the five key maturity dimensions in our study, there is low consensus on specific practices, with agreement rarely exceeding 30%. In fact, neutral responses dominate across the board (40% to 44%). More than half of organizations report struggles with poor cross-functional communication of transformation goals, misalignment between process and IT, and data silos. Together, these findings indicate that senior leaders often lack clear line of sight into whether governance, roadmaps, and process controls are consistently applied — a hallmark of unclear ownership and decentralized, uncoordinated execution.

Without shared mechanisms and transparency, organizations can't reliably prioritize, orchestrate, or learn across transformation initiatives — the opposite of exercising a repeatable capability.

SILOED THINKING SLOWS DOWN TRANSFORMATION

Successful transformation is an enterprisewide effort. Advanced firms drive change from the top, but most organizations still struggle to orchestrate across functions. Because transformation spans multiple functions, leaders often lack direct control over every aspect — requiring them to rely on influence, collaboration, and shared governance to drive change.⁷ Surveyed respondents acknowledge several challenges when it comes to executing transformation:

- **Orchestration gaps inhibit scale.** The single largest capability gap across all maturity levels is orchestration. Respondents report that they execute

projects well within departments, but lack an integrated, enterprisewide strategy. This disconnect prevents organizations from sequencing initiatives, sharing resources, and scaling lessons learned.

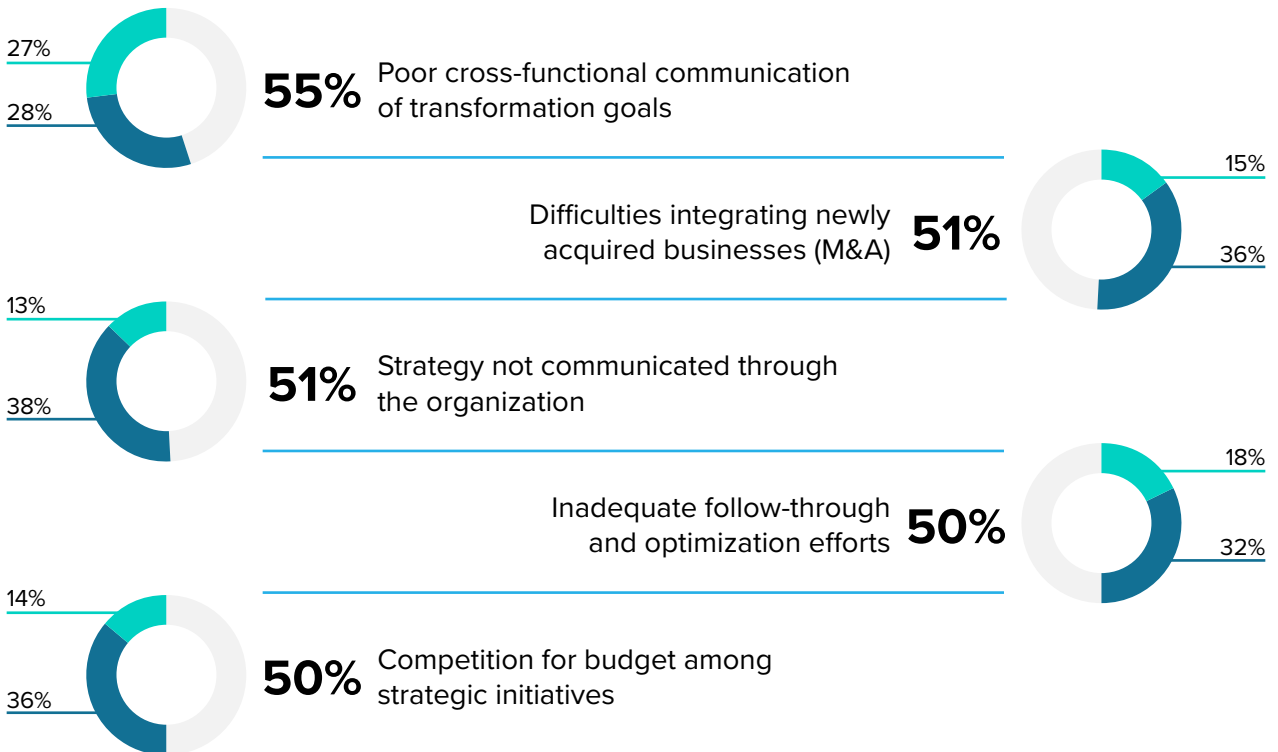
- Communication breakdowns.** Organizations struggle to translate transformation strategy into coordinated execution. More than half of respondents (55%) cite poor cross-functional communication of transformation goals as a top challenge, leading to duplicated efforts and inconsistent delivery (see Figure 6). Without a shared narrative, even well-funded initiatives risk drifting away from enterprise priorities.

The number one biggest capability gap for organizations is executing transformation initiatives well within departments but lacking an integrated, enterprisewide strategy.

FIGURE 6

Top Strategic Alignment Challenges When Executing Business Transformation Initiatives

● Very challenging
● Extremely challenging



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

- **Lack of alignment.** Fifty-one percent of respondents report that strategy is not communicated effectively, and another 51% struggle to integrate newly acquired businesses. These gaps are especially damaging in multientity environments, where lack of alignment not only slows integration but also poses a major execution risk. Without holistic dependency management and a shared understanding of business outcomes, transformation efforts risk fragmentation, delays, and diminished impact.
- **Funding friction dilutes impact.** Execution gaps extend to follow-through and prioritization: 50% of respondents cite inadequate optimization efforts, and another 50% report competition for budget among strategic initiatives. These issues reflect a lack enterprisewide discipline around coordination and prioritization — critical enablers for sustaining momentum, maximizing impact, and concentrating resources on initiatives that deliver measurable business outcome. When resources are spread across disconnected projects, organizations lose the ability to double down on the initiatives that drive quantifiable business results.

THE STRUGGLE IS REAL: INTEGRATION IS A CHALLENGE ACROSS TRANSFORMATION STAGES

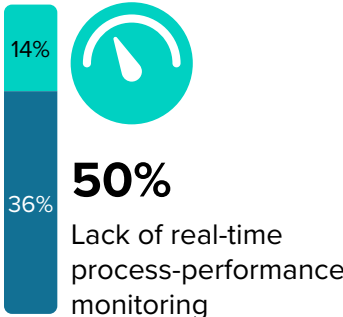
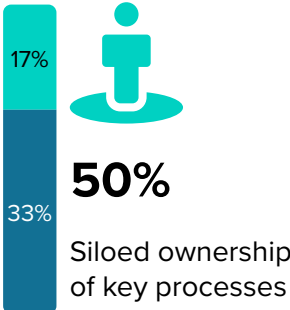
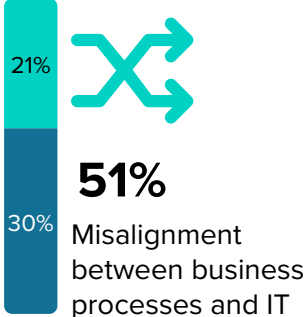
Transformations are strategic and significant in scope, requiring changes in technology, operating models, practices, cultures, and ecosystems.⁸ Our study reveals that no matter where a firm stands on the maturity journey and despite strong confidence in enterprise architecture teams, integrating people, processes, data, and technology is a struggle — with unique challenges arising in each dimension. Respondents mention the following about their transformation projects:

- **Process breaks first.** Operationally, misalignment between business processes and IT is the top pain point, with 51% of respondents citing it as very or extremely challenging. This is compounded by siloed ownership (50%) and lack of real-time monitoring (50%) — clear signs that process, data, and risk still operate in isolation. These challenges drive longer cycle times, require more rework, and stall end-to-end improvements (see Figure 7).

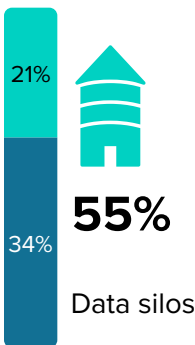
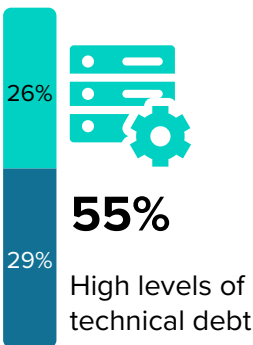
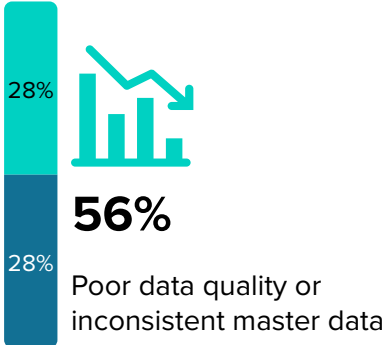
FIGURE 7

Top Three Process-Related Challenges

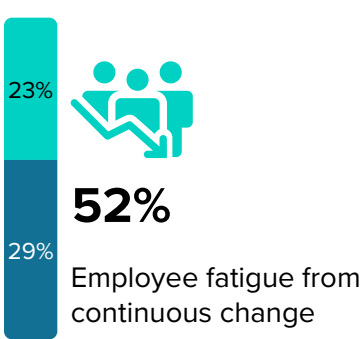
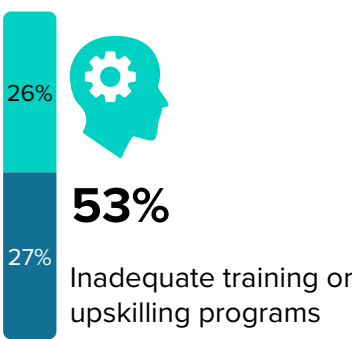
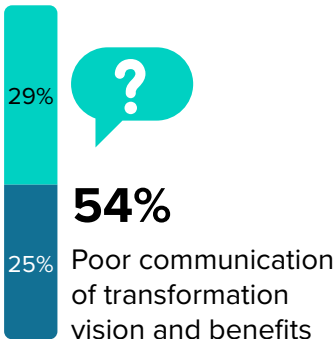
- Very challenging
- Extremely challenging



Top Three Technology-Related Challenges



Top Three People- And Culture-Related Challenges



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

- **Technology debt and data silos constrain speed.** On the technology side, data quality and technical debt are stalling progress. More than half of respondents face poor data quality or inconsistent master data (56%), data silos (55%), and high levels of technical debt (55%).
- **Human dynamics are the last mile.** Transformation is not just a technical hurdle — it's a human one. Poor communication of transformation vision (54%), insufficient upskilling (53%), and employee fatigue from constant change (52%) erode trust and momentum. As firms advance through the transformation journey, pain shifts from capacity to adoption: Talent shortages fade, while employee resistance and lack of visibility rise.
- **Maturity increases expectations.** While data quality and technology integration remain obstacles across the journey, the nature of challenges evolves with maturity. Beginners rank foundational issues like inadequate skills and talent (number one) and data fragmentation (number two) as their top hurdles. In contrast, leaders place orchestration and adaptability at the forefront, with lack of visibility into the IT and/or process landscape (number one), economic uncertainty (number two), and employee resistance to change (number three) among their top five challenges. This progression underscores a key insight: As maturity increases, so do expectations. What's acceptable to making continuous alignment, integration and adoption critical for transformation success at earlier stages becomes a main challenge later (see Figure 8).

Together, these challenges make one thing clear: Transformation is never just a technical upgrade — it's a complex, enterprisewide evolution. As organizations progress, the nature of their challenges shifts, but the need for integrated strategies remains constant. Success depends on the ability to align people, processes, data, and technology — not once, but continuously — as transformation moves from foundational fixes to orchestrated adaptability.

FIGURE 8

“What are your organization’s biggest current capability gaps when it comes to transformation?”



43%

Transformation projects are executed well within individual departments but lack an integrated, enterprisewide strategy



38%

Disparate data sources and analytics tools lead to inconsistent, hard-to-trust insights



26%

There is a lack of alignment between business and IT

Top Factors Delaying Or Derailing Transformation Projects, Ranked By Maturity

HIGH ————— **LOW**

	Beginner	Intermediate	Advanced	Leader
Inadequate skills or talent	#1	#3	#3	#5
Data quality and integration issues	#2	#1	#2	#2
Technology integration challenges	#3	#2	#1	#1
Resistance to change from employees	#7	#7	#5	#3
Economic uncertainty	#7	#6	#2	#2
Lack of visibility into the IT and/or process landscape	#7	#8	#4	#1

Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
 Source: Forrester’s Q3 2025 Business Transformation Survey [E-64636]

THE DATA ISSUE: TRUST, ACCESSIBILITY, AND INTEGRATION

Data sits at the center of success — and failure. It's not just an enabler; it's a strategic asset that underpins modernization, optimization, innovation, and advanced analytics. Yet many organizations still neglect core data management fundamentals, such as governance, integration, and quality. This mindset is a critical misstep. When data governance, integration, and quality are sidelined, transformation efforts stall, insights remain out of reach, and the value of emerging technologies is never fully realized.⁹

It is no surprise that in our study, data comes up as a universal constraint for transformation efforts. Having disparate data sources and analytics tools is the second most cited capability gap — reinforcing that unreliable data is a major obstacle to decision-making, leading to inconsistent, hard-to-trust insights. Data issues also top technology-related challenges for companies: 56% of respondents cite poor quality or inconsistent master data as the top technology-related challenge, with 28% citing it as extremely challenging. Data silos are close behind, with 55% of respondents mentioning them. When asked what has most delayed or derailed transformation projects, executives point to data quality and integration issues more than any other factor (39%). These findings tell one truth: Data challenges are not just tactical, they are strategic.

Without trusted, integrated data, organizations struggle to make informed decisions, measure progress, or scale transformation effectively. Leaders face challenges to deliver tangible value if a vision for data does not underpin their strategy. Modern technology requires, generates, and activates data — and emerging trends, like genAI, amplify the need for data quality, enable comprehensive governance, and expand use for new insights and business value.¹⁰

These challenges — opaque ownership, siloed goals, brittle data, and last-mile adoption — are symptoms of a missing or immature transformation capability. The path forward is to institutionalize governance, process, data, and adoption discipline to turn ambition into repeatable execution.

From Isolated Projects To A Repeatable Transformation Capability

The challenges highlighted in our study findings are symptoms of an underdeveloped or absent capability. The future belongs to organizations that treat transformation as a continuous discipline — one that integrates and supports otherwise-disconnected initiatives. This requires a repeatable transformation capability that integrates strategy, processes, technology, and culture into a cohesive operating model. Core pillars of enterprise transformation — modularity, agility, flexibility, visibility, and connectivity — are valuable regardless of economic conditions and prepare organizations for the unexpected. Organizations that transform in line with these principles are incrementally building the ingredients to become a future proof organization — one that is adaptive and resilient in the face of constant change.¹¹

THE CAPABILITY IMPERATIVE: BUILD A SYSTEM FOR CONTINUOUS TRANSFORMATION

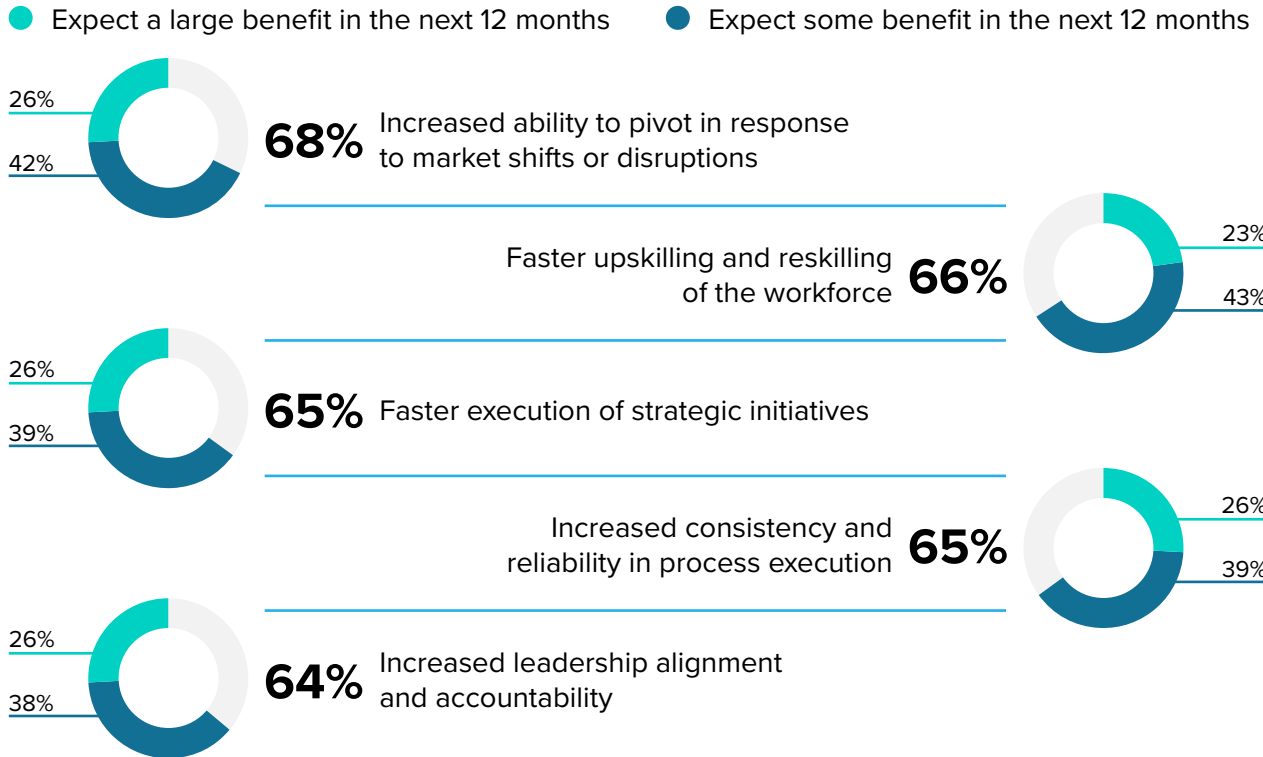
The organizations that will be most adept at handling change are those striving for repeatable, scalable execution and cohesive leadership to respond to market shifts and disruptions (see Figure 9).

When asked what benefits organizations expect to experience by developing a robust transformation capability, respondents say they expect greater agility when pivoting in response to market shifts (68%), faster workforce upskilling (66%), and faster execution on strategic initiatives (65%). These expectations reflect a strong belief that transformation maturity will enable organizations to respond more quickly to change, execute with greater precision, and build the workforce capabilities they need.

Equally important are increased consistency and reliability in process execution (65%) and stronger leadership alignment and accountability (64%). These expectations reflect a clear truth: Transformation is not about running more projects — it's about institutionalizing a repeatable capability that connects strategy, execution, measurement, and reuse under shared governance.

FIGURE 9

Benefits Organizations Expect To Experience By Developing A Robust Transformation Capability



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

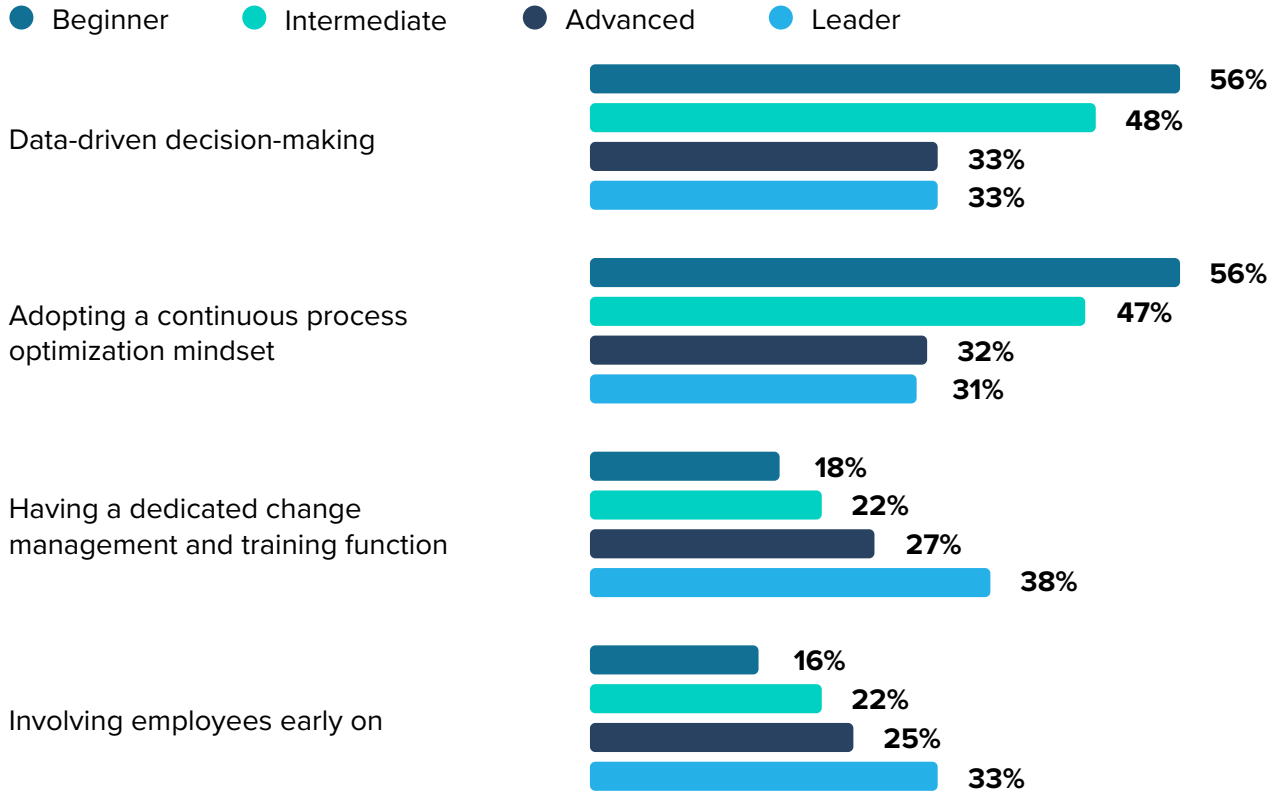
Leaders recognize that digital transformation is a multiyear journey — but they don't treat it as a monolith. They break it into incremental, outcome-based stages with governance checkpoints, ensuring that ambition translates into measurable progress.¹²

WHAT GOOD LOOKS LIKE: FROM BASELINE TO BREAKTHROUGH

As organizations progress from beginner to leader, the sources of transformation success shift. Early-stage firms rely on data-driven decision-making (56%) and continuous process optimization (56%) as their top success drivers — but among leaders, these drop to just above 30%, becoming table stakes (see Figure 10).

FIGURE 10

“Which of the following have had the biggest impact on your organization’s business transformation successes?”



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester’s Q3 2025 Business Transformation Survey [E-64636]

Leaders, in contrast, shift the focus to people-centric enablers. Having a dedicated change management function (38%) and early employee involvement (33%) rank far higher with leaders than beginners (18% and 16%, respectively). This points to a critical reality: Technology and process are foundational, but cultural alignment and employee engagement are the differentiators.

Resilient organizations understand that adaptability is not a byproduct of tools — it’s a capability built into culture. Modular technology and agile practices can enable speed, but they won’t deliver resilience if people still see change as a disruption. Leaders embed change as part of their organization’s DNA, making culture an active agent of transformation.¹³

But people-centricity alone isn't enough. Too many transformation roadmaps prioritize features and functionality over fundamentals, neglecting the integration of technology, processes, people, and data.¹⁴ Leaders institutionalize governance that orchestrates changing transformation priorities through a unified portfolio, KPI-linked goals, and modernization roadmaps, and they anchor their strategy with a clear focus on data ownership, quality, and literacy. These practices turn ambition into measurable progress and prevent transformation from devolving into disconnected projects.

ACCELERATE WHAT MATTERS: ADOPTION FIRST, THEN REUSE

When asked which outcomes would most impact their organization, respondents prioritized user adoption and asset reuse. At the top of the list, 38% of respondents say that achieving 90% user adoption within 60 days through embedded digital adoption management would have the greatest impact — underscoring that even the best-designed transformations fail without employee buy-in and behavioral change. Increasing reuse of enterprise assets across transformation initiatives (33%) ranked second, reflecting the growing need for scalability, standardization, and faster time to value (see Figure 11).

Additionally, 27% cited boosting customer lifetime value by 25% through data-enabled journey optimization, signaling a shift toward customer-centric transformation. Improving employee productivity by 25% through AI-assisted workflows

FIGURE 11

“If your transformation projects continue to succeed over the next two years, what impact would each of the following results have on your organization?”

● High impact ● Exceptional impact

Achieve 90% user adoption of new capabilities within 60 days through embedded digital-adoption management



Increase reuse of enterprise assets (e.g., APIs, process templates, data models) by 60% across transformation initiatives



Increase customer lifetime value by 25% through end-to-end, data-enabled customer-journey optimization



Improve employee productivity by 25% through AI-assisted workflows and contextual guidance



Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
Source: Forrester's Q3 2025 Business Transformation Survey [E-64636]

also ranked among the top four — highlighting the rising role of AI in enabling smarter, faster work and freeing up capacity for higher-value activities.

Together, these priorities reflect a growing emphasis on real-world impact and measurable outcomes, not just technical implementations: Adoption unlocks realized value; asset reuse multiplies it by reducing cost, risk, and time to value.

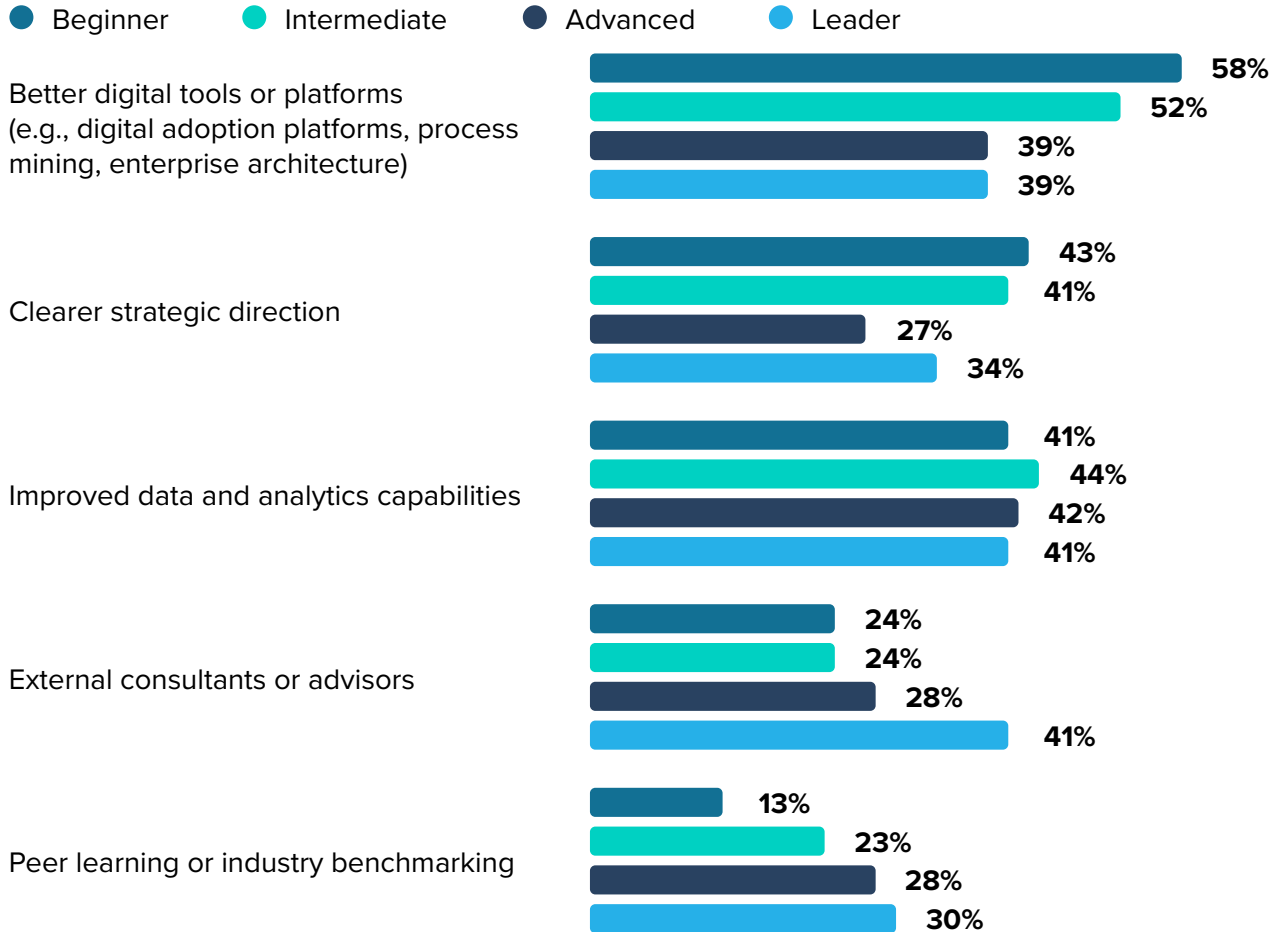
TURN AMBITION INTO A REPEATABLE SYSTEM

To fully realize the benefits of transformation, organizations must move beyond ad hoc initiatives and build a holistic transformation methodology and practice anchored in governance, data, and adoption. To do this, organizations are turning to various resources and technology partners (see Figure 12):




- **Invest in technology that enables visibility and speed.** Overall, organizations cite better digital tools (51%) and improved data and analytics (42%) as top enablers. Investment in tools that help track performance, pinpoint bottlenecks, boost collaboration and adoption, and provide holistic insights pay off in both short- and long-term value.
- **Early-stage firms need tools — leaders need insight.** As organizations progress in their transformation journey, what they require from partners and platforms evolves from foundational infrastructure to strategic enablement. Firms in the early stages of their transformation prioritize digital tools, with 58% citing them as a critical need, and emphasize clearer strategic direction (43%) to build momentum. In contrast, mature leader organizations increasingly seek specialized expertise — with 41% of leaders turning to external consultants and advisors — and show growing interest in peer benchmarking (30%).
- **Select partners that accelerate time to value.** The most valued transformation partners are those with advanced analytics capabilities that surface real-time usage insights and workflow friction points (38%); a proven track record of accelerating time to value through structured methodologies and best practices (37%); and insight-driven decision-making support through process-level visibility and optimization tracking (35%) — capabilities that turn transformation into a repeatable, measurable system.

FIGURE 12

Support Or Resources That Would Most Help Sustain And Accelerate Transformations



“What are the key attributes of a technology partner that can support your organization’s ability to transform?”

- 
38% Advanced data and analytics capabilities to surface real-time usage insights and workflow friction points
- 
37% Proven track record of accelerating time to value through structured methodologies and best practices
- 
35% Insight-driven decision-making support through process-level visibility and optimization tracking

Base: 1,007 VP-level-and-above decision-makers for transformation strategy at companies with 5,000+ employees
 Source: Forrester’s Q3 2025 Business Transformation Survey [E-64636]

Key Recommendations

Business transformation is no longer a one-off initiative — it's a continuous, enterprisewide capability. Yet many organizations still struggle to scale transformation beyond isolated projects and short-term wins. Cultural misalignment, fragmented governance, and lack of measurable outcomes often stall progress.

Forrester's in-depth survey of 1,007 transformation strategy decision-makers yielded several important recommendations for business transformation readiness:

Increase the measurability of your transformation journey. To evolve transformation into a repeatable, measurable system, data-driven insight is crucial. Continuously operationalizing business outcomes into transformation KPIs within clearly prioritized roadmaps will increase transparency, accountability, and consistent execution across initiatives.

Establish enterprisewide visibility to drive alignment and accountability. To orchestrate continuous transformation at scale, organizations must establish cross-functional structures that drive alignment around common outcomes and priorities. This goes beyond investment committees and tactical project management teams — it's about shared tools and a common framework to create lasting capacity and capabilities for change.

Invest in people-centric enablers to drive adoption and resilience.

Technology and process are foundational, but they don't create value without cultural alignment and employee engagement. Leaders should prioritize early employee involvement, dedicated people-change functions, and digital adoption management to drive a human-centered and culturally aligned transformation practice.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 1,007 cross-industry senior decision-makers at organizations in APAC, EMEA, Latin America, and North America to evaluate organizations' business transformation readiness. Survey participants included decision-makers in business transformation strategy and execution. Questions provided to the participants asked about organizations' priorities, capability gaps, and challenges surrounding execution of business transformation, and benefits of adopting a robust transformation capability. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in July 2025 and was completed in August 2025.

Appendix B: Demographics

REGION	
APAC	15%
Northern and Western Europe	15%
Middle East	14%
Southern Europe	14%
Latin and Central America	14%
North America	14%
Middle and Eastern Europe	13%

INDUSTRY	
Industrial and manufacturing	16%
Professional and business services	16%
Marketing, media, and services	15%
Agriculture, food, and consumer goods	14%
Tech, electronics, and telecom	12%
Financial and retail	16%
Healthcare and life sciences	9%
Energy, utilities, and infrastructure	9%

RESPONDENT LEVEL	
C-level executive	14%
Senior vice president	44%
Vice president	41%

COMPANY SIZE	
5,000 to 19,999 employees	4%
20,000 or more employees	96%

AREAS OF INVOLVEMENT	
Digital adoption management	44%
Business process management/process mining	42%
Technology modernization	41%
Transformation strategy	41%
Data and analytics to support transformation decisions	40%
Enterprise architecture management/governance	30%
Audit/risk and quality management	16%
Management systems	14%
Change management	10%
Cloud management	8%

Note: Percentages may not total 100 due to rounding.

Appendix D: Endnotes

- ¹ Source: [Be The Change Leader Your Organization Needs](#), Forrester Research, Inc., September 20, 2024.
- ² Source: [Understand The Difference Between Change And Transformation](#), Forrester Research, Inc., May 28, 2024.
- ³ Source: [Data And AI Transformation Is The Most Important Activity For Digital Transformation](#), Forrester Research, Inc., March 14, 2024.
- ⁴ Source: [Over Three Quarters Of Organizations Plan To Increase Investment In Digital Transformation](#), Forrester Research, Inc., March 21, 2024.
- ⁵ Source: [Achieve Your Digital Transformation Goals With Outcome-Driven Data Transformation](#), Forrester Research, Inc., October 8, 2024.
- ⁶ Ibid.
- ⁷ Source: [Digital Transformation — Time For A Health Check](#), Forrester Research, Inc., April 20, 2023.
- ⁸ Source: [Understand The Difference Between Change And Transformation](#), Forrester Research, Inc., May 28, 2024.
- ⁹ Source: [Achieve Your Digital Transformation Goals With Outcome-Driven Data Transformation](#), Forrester Research, Inc., October 8, 2024.
- ¹⁰ Ibid.
- ¹¹ Source: [Digital Transformation — Time For A Health Check](#), Forrester Research, Inc., April 20, 2023.
- ¹² Ibid.
- ¹³ Source: [The Realities Of Change Resistance To Digital Transformation](#), Forrester Research, Inc., June 15, 2023.
- ¹⁴ Source: [Achieve Your Digital Transformation Goals With Outcome-Driven Data Transformation](#), Forrester Research, Inc., October 8, 2024.

An abstract 3D composition featuring several spheres and a cube. One sphere is covered in horizontal lines, another in vertical lines, and a third in a grid pattern. A large, textured cube is positioned in the foreground. The background is a dark, textured green.

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The image features the Forrester logo centered on a background of overlapping, organic shapes in various shades of green and black. The logo is rendered in a white, serif, all-caps font with a registered trademark symbol. The background consists of several large, rounded, overlapping shapes in shades of olive green, forest green, and black, creating a layered, abstract effect.

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