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MANAGING ORGANIZATIONAL TRANSFORMATION WITH A TMO

Organizational transformation has become necessary to remain competitive in a rapidly changing environment. The advancement of artificial intelligence (AI), machine learning, and automation along with the shift to [remote](#) and hybrid work models, a competitive job market, [fluctuating inflation rates](#), and geopolitical tensions are some of the drivers for transformation.

A [Transformation Management Office \(TMO\)](#), a.k.a. Strategic Implementation Office or Strategy Realization Office, can have a significant impact on an organization's success in adapting to these challenges. A TMO is a specialized unit within an organization that handles ensuring transformation efforts are strategically aligned, managed effectively, and implemented successfully.

Below, we explore tips for managing organizational transformation with a TMO.

Transformation Management Office vs Change Office

A TMO is not a temporary project management office, a one-time initiative, or a replacement for leadership; it's an ongoing strategic unit whose purpose is to drive change and ensure long-term success. A transformation office differs from a change office in its depth, goals, and approach. For instance, transformation is deep and pervasive, while change is more superficial and limited to specific areas like implementing a new software tool. The goal of transformation is reinvention and a [fundamental change in organizational trajectory](#), while change is reactive and set on improving current operations. Overall, transformation is proactive and driven by a strategic vision, while change only addresses specific problems.



The Role of a Transformation Management Office

The TMO engages in multiple organizational functions, adjusting its involvement as necessary to meet transformation objectives. These functions include:

- **Strategic Planning** - A continuous function that aligns the transformation strategy with the organization's vision and [creates a roadmap with milestones and timelines](#) for achieving short- and long-term goals
- **Project Management** - Provides transformation project oversight and resource management



to support the transformation initiatives; the TMO is greatly involved during the execution phase of transformation initiatives

- **Change Management** - Facilitates cultural shifts and employee engagement through communication, training, and support; an essential function throughout the transformation process
- **Performance Tracking** - Defines and regularly monitors key performance indicators (KPIs) and conducts performance reviews to track progress and make necessary adjustments; these vary based on project goals, but a good reference is to use specific and measurable targets for tracking progress
- **Stakeholder Engagement** - Supports communication with all stakeholders and creates feedback channels, which is essential to [maintain support for transformation initiatives](#)
- **Risk Management** - Finds potential transformation project risks and creates mitigation strategies and contingency plans to ensure transformation efforts stay on track
- **Innovation and Technology Integration** - Acts as the driver for adoption of emerging technologies and innovative practices and fosters a culture of continuous improvement; an ongoing function to keep the organization at the forefront of technological advances and innovations
- **Governance and Accountability** - Ensures leadership and governance structures are in place and [holds teams accountable for delivering on their commitments](#)
- **Talent Development** - Provides training programs on new processes and technologies and spurs leadership development to sustain transformation
- **Sustainability and Social Responsibility** - Leads sustainability and social responsibility initiatives aligned with transformation and societal goals and ensures compliance with regulations

By incorporating these functions into their responsibilities, a TMO ensures a unified vision across cross-functional transformation initiatives and successful outcomes that align with the organization's strategic goals. While the TMO generally manages all of these functions, the extent of their participation can vary based on the transformation phase and the organization's specific requirements.

The Value Created by the TMO

The [University of Oxford's Saïd Business School](#) found that companies with a TMO are better at adapting to market changes and staying competitive. There are many proven business benefits such as better financial performance, higher success rates with sustained advancements, enhanced operational efficiency, and improvement in employee and organizational health.

Strategies for Success

While many businesses attempt to establish a TMO, more than [70% fail](#). There are many reasons why TMOs fail, such as lack of communication and ambiguous goals. Success is significantly influenced by sustained employee participation and the prioritization of employee-focused initiatives, which have shown effectiveness in established [DE&I program](#) goals.

To ensure a successful TMO, consider these strategies:

1 View Transformation as an Ongoing Process

This approach is particularly vital in the fast-evolving business environment, where the ability to swiftly adjust to market changes, technological innovations, and evolving customer demands is essential. [Transformation efforts](#) can lose steam if they are seen as temporary projects. By embedding transformation into the organization's DNA, companies can maintain momentum and ensure long-term success. [Continuous transformation](#) helps to foster an innovative culture by encouraging organizations to actively seek out new opportunities and stay ahead of competitors. Increased employee engagement and motivation are also often seen when organizations demonstrate a commitment to ongoing improvement.

2 Build Transformation into the Organizational Operating Rhythm

When transformation is integrated into daily operations, it becomes an inherent element of the organization's workflow, fostering consistency and guaranteeing that transformation initiatives remain a priority. A culture that embraces ongoing transformation creates an atmosphere where change is accepted and actively promoted, which is vital for [maintaining long-term transformation initiatives](#). Effective leadership plays a critical role in initiating and sustaining these changes as leaders establish the organization's vision and direction, and their dedication can inspire and energize the workforce. Implementing clear metrics and accountability frameworks helps monitor progress and ensure that transformation initiatives remain aligned with goals, while open and transparent communication builds trust and keeps everyone informed and involved in the transformation journey, thereby minimizing resistance and cultivating a sense of ownership among staff.

3 Modify the Order of Changes to Minimize Disruptions and Avoid Organizational Exhaustion

[Careful planning](#) is vital for executing changes in a well-organized and manageable fashion, helping to minimize disruptions to routine operations and reducing the likelihood of overwhelming staff members. By introducing changes gradually, organizations can adapt to new workflows more effectively. This facilitates the early identification and resolution of potential problems, thus decreasing the risk of failures. Implementing pilot programs allows organizations to test changes on a limited basis before full-scale deployment, enabling refinement of the approach and yielding valuable insights for a broader implementation. It is also important to maintain a balanced workload throughout the transition to prevent employee burnout and sustain productivity.



Benefits for Different Industries

Life Sciences

In the [life sciences](#) industry, a TMO ensures adherence to regulatory requirements by implementing robust compliance frameworks and continuous monitoring systems to reduce the risk of non-compliance and associated penalties. They connect R&D projects with strategic priorities, encourage teamwork across different departments, and improve the distribution of resources, all of which accelerate the advancement of new drugs and medical technologies. TMOs redesign processes to optimize operations, incorporate advanced technologies, and set performance benchmarks, leading to increased productivity and a shorter time-to-market for new products as well.

Retail

For [retailers](#), a TMO employs data analytics to analyze customer behavior and preferences, allowing for customized shopping experiences, which can result in higher levels of customer satisfaction and loyalty. Furthermore, they implement digital technologies to refine supply chain operations, leading to better inventory management, cost reductions, and improved product

availability. TMOs also promote efficiency by integrating advanced technologies, [rethinking processes](#), and establishing key performance metrics to evaluate success to help retailers remain competitive in a swiftly changing marketplace.

CPG

A TMO supports [CPG companies](#) in crafting unified data management strategies, turning isolated data into valuable insights. This leads to improved decision-making and greater operational efficiency. They refine resource allocation for R&D, guaranteeing that new products are developed on time and satisfy market requirements, and [identify potential cost-saving measures](#), such as enhancing SG&A processes and implementing automation in production, contributing to increased profitability and enhanced competitiveness.

How to Begin Managing Organizational Transformation

At Clarkston, we have the expertise needed to support your journey towards establishing a successful Transformation Management Office (TMO). We employ tools such as [Organizational Network Analysis](#) and [Enterprise Destination Mapping](#) to assist organizations in defining their long-term strategic objectives and facilitating transformation. Although our [People + Change Team](#) is ready to collaborate with you throughout this transformation process, it is important to recognize that this is a challenging task. Dedicating time to clearly define goals and enhance communication will enable your organization to achieve a successful TMO.

Contact our experts today to get started.

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For more information about how we can help your company, [please contact us](#).

