

FOUR CURRENTS™

Adrift or Aligned? The State of Business Transformation
Q3 2025 / Wave 4

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From the Founder's Desk



Tom Daly

Founder, The Transformation Guild

From the Founder's Desk

The Transformation Guild is pleased to present Wave 4 of The Four Currents Research: The Transformation Paradox and First Principles Thinking

Organizations everywhere are transforming. Most are not succeeding. Failure begins long before execution. It begins when fundamental questions are not being asked or answered.

Despite 96 percent of companies pursuing strategic transformation, an 88 percent failure rate persists. This creates a Transformation Paradox that drains capital, compromises the change imperative driving transformation, and creates reputational risk. A compelling “begin with the end in mind” vision can inspire employees, but leaders often do not know where (or how close to the surface) skepticism and disillusionment sit, or how close they are to the surface. Until they gain visibility, no transformation is truly ready to begin.

This Wave 4 Report reinforces what previous reports revealed. Senior leaders hold more optimistic views of their transformation efforts and anticipate longer time horizons to deliver results and realize value. But individual contributors and middle managers, the people closest to customer expectations and operational reality, do not share that optimism.

Perhaps that is to be expected. But what's unexpected is this: Lower confidence and alignment are strongly correlated to mixed evaluations of the value of transformation itself.

When this happens, transformation becomes a credibility issue.

Before any roadmap, any strategy, or any AI-enabled initiative can take hold, credibility must be restored. That restoration starts with First Principles.

The Unshakeable Foundation: The First Principles Mandate

First Principles Thinking (FPT) is the discipline of stripping away assumptions until only the absolute facts remain. It asks a simple but demanding question: “What do we know to be true?”

This is not an abstract exercise. It is a leadership requirement.

As emerging technologies permeate every aspect of every business, clarity at the foundational level becomes the only reliable way to resolve the Transformation Paradox.

For every organization, five First Principles apply:

1. The survival and growth of an organization depend on a continuous, superior exchange of value with customers.
2. All sustainable relationships, including those with external partners, require mutual and equitable value creation.

From the Founder's Desk

3. Financial resources are finite and must be allocated to maximize the probability of achieving a desired outcome.
4. The external environment is in continuous, unpredictable change, which demands constant organizational adaptation to avoid obsolescence.
5. Time is not an infinite resource.

Nothing more can be added without diluting the power of these principles. Nothing can be removed without breaking the logic that holds them together. These principles form an interconnected system that, taken together, establishes the starting point for credible, enduring transformation.

Wave 4 provides the data leaders need to confront reality, align their organizations, and rebuild belief. When leaders commit to First Principles and face what is true today, transformation stops being a leap of faith and becomes a disciplined act of navigation.

Sincerely,

Tom



About The Transformation Guild

The Transformation Guild brings enterprise leaders and expert consultants together to navigate the complexities of change with clarity, control, and confidence.

Our quantitative methodology, grounded in the proprietary **Four Currents™ Framework**, diagnoses and resolves hidden misalignments and doubt gaps that stall or sabotage transformation. Whether you are launching a new transformation effort or trying to recover one that has lost momentum, our model, a revolutionary approach unlike any other, can help your organization build lasting alignment and regain traction.

Our research shows that something no other model has revealed: ***Closing gaps in confidence and alignment has a statistically significant correlation to perceived transformation value.*** In other words, our approach isn't just unique - it is essential. Think of Four Currents research as a strategic compass: sharp, precise, and relentlessly focused on moving your organization forward.

Whether you are driving change from within or guiding clients through it, The Transformation Guild equips you with the tools and community you need to turn high-stakes transformation into lasting competitive advantage.

The Four Currents Framework

Insights come from the Four Currents™ Framework, which examines people, money, and time at the most elemental levels. The foundational tenets of The Four Currents™ are:

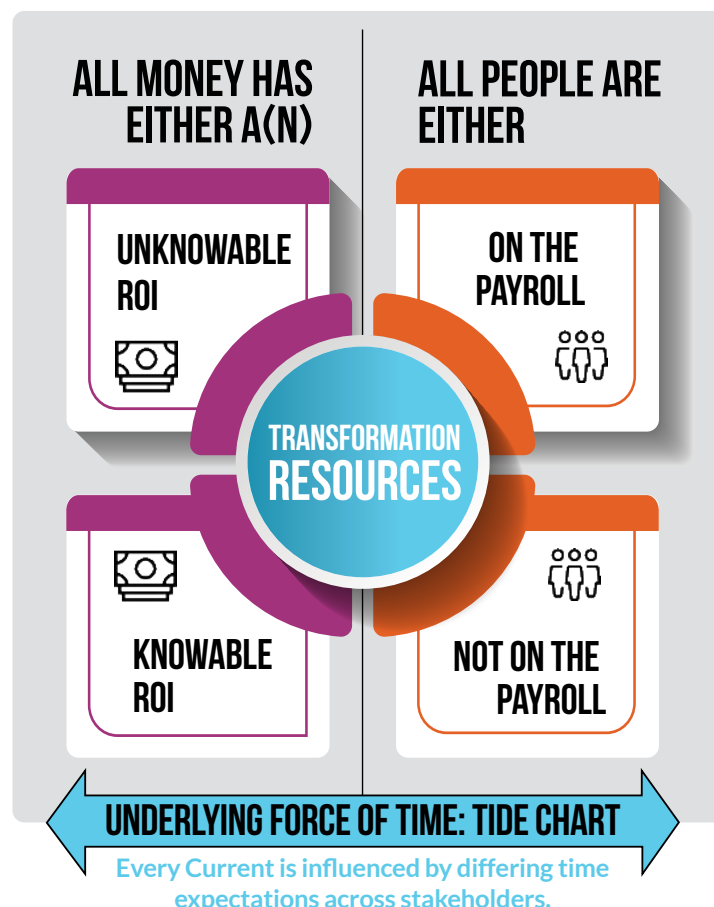
- All people are either on your payroll... or they are not.
- All money either has a knowable ROI... or it does not.
- Transformation takes time... but people lose interest as time passes.

The Four Currents serve as an entry point to understanding how time and money flow across an organization. Each current influences the others. At its core, the framework assesses confidence and alignment around goals that are set and whether resources are being used to their highest potential.

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Do we have the trust to make future-facing bets?
Innovation, experimentation, future potential value not realized

Are we measuring the right things?
Metrics that can be tracked, measured, and validated today



Do you have the internal alignment to win?
Confidence, alignment, clarity of role, belief in leadership

Are partners accelerating change or creating drag?
Partners, vendors, consultants, and systems that can accelerate or drag

The Four Currents Framework

Key Findings from Wave 4

The Wave 4 research findings of The Transformation Guild reveal a widening crack at the waterline of many organizations.

There is growing misalignment between the perceptions of senior leaders and middle managers/front-line managers regarding the seaworthiness of their operations.

Our findings show that **senior leaders generally hold more positive, sanguine views** of company operations and expect longer horizons to deliver results. However, **the people more responsible for actually delivering those results**, the middle managers and the individual contributors on the front lines, **report significantly lower optimism and confidence**.

This divergence is no longer a nuance. It is a force shaping execution risk, organizational drift, and the failure rate of transformations.

How serious is this misalignment problem?

The answer becomes clear when we consider that 96 percent of companies today report they are pursuing strategic transformation¹ and **88 percent of those transformation efforts fail**².

Our Wave 4 report presents leaders and readers with a research-based overview of this situation. Drawn from our unique Four Currents research framework, our report assesses perceptions of alignment and confidence among employees in hundreds of organizations – a holistic view of shared vision.

Our framework designates employees lacking confidence as adrift. They may appear to go with the flow but perhaps not fully aligned on the destination, how long it might take to get there, or what progress should look like.

This report underscores a growing need for leaders to focus more on internal alignment in ways that address doubts about their organizations. These doubts are visibly emerging at points where management confidence thins.

¹Succeeding in Disruptive Times (KPMG Global Transformation Study 2016)

²The Three Common Transformation Talent Mistakes and How to Avoid Them (Bain & Company 2023 Transformation & Change Survey)

The Four Currents Framework

Key Findings from Wave 4

A snapshot of where confidence, alignment, and credibility are holding, and where drift is quietly setting in.



People on Your Payroll (Internal Confidence):

Most organizations are operating in the middle. Confidence is sufficient to sustain performance, but rarely strong enough to accelerate transformation. Without deliberate reinforcement, this internal equilibrium is vulnerable to drift.



People Not on Your Payroll (External Trust):

Confidence in partners is moderate, not committed. Vendors and partners are present, but under-leveraged, at a moment when speed and specialized capability increasingly determine outcomes.



Knowable ROI (Clear Value Signals):

Confidence in measurable ROI is thin. When leaders and teams are unsure whether KPIs reflect real value, decisions default to short-term signals, slowing momentum and weakening alignment.



Unknowable ROI (Future-Facing Bets):

Leaders recognize the importance of long-term investments, but conviction is uneven. Hesitation, not resistance, defines this Current, creating vulnerability for initiatives that require patience and belief.



The Tide Chart (Confidence Time Horizon):

Expectations for results are compressed. Most organizations expect visible impact within months, not years, increasing credibility risk for transformations that demand sustained commitment.



AI Adoption (Fast and Uneven):

Belief in AI's potential outpaces readiness to apply it. Organizations that see themselves ahead show stronger confidence across all Four Currents, while others risk widening the perception-to-practice gap.

What This Means for Leaders

Drift is the danger in today's transformations, and it is likely the chief culprit in a failure rate of nearly 9 in 10 (88 percent) transformation efforts. You can find many of those in the "adrift" category working between people in organizations who are most enthusiastic – the true believers – and those who are disengaged, even quitting in place. People in this **Movable Middle** may be somewhat aligned and somewhat confident but unprepared or not fully paying attention.

The Four Currents Framework

Management and organizational change efforts are best focused on this group, the Movable Middle. Moving these people toward greater alignment often requires small adjustments that can have a significant impact on the overall success of a transformation.

At The Transformation Guild, we call this group the Movable Middle. They represent roughly 60 percent of most organizations and are highly sensitive to clarity, confidence, and credibility signals. When they drift, transformation stalls. When they align, transformation accelerates. Wave 4 highlights the importance of identifying and influencing this segment early.

The Transformation Guild suggests:

- Equip the Movable Middle with clarity and support.
- Align your investment timeline with the outcomes you expect.
- Balance immediate ROI with long-term conviction.
- Use data to build trust, not just report outcomes.

The key to successful transformation lies in shifting the perspectives and engagement of this Movable Middle, rather than focusing only on those who are already convinced or on expending resources on those who will never align.

What does this look like inside your organization? We can help map your currents.

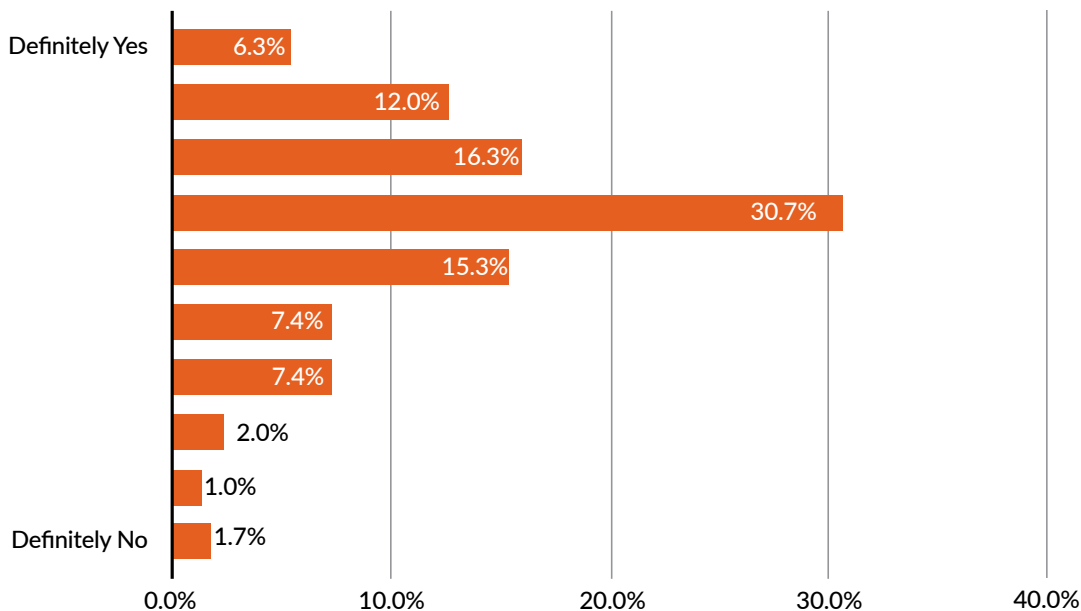


Current One

People on Your Payroll

Steadying the Core: Unlocking Internal Confidence

Do you have the focus, alignment, and resources to win from within?



Data from The Transformation Guild, Q3 2025

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Analysis

Moderate confidence is modal, with three in 10 respondents selecting “mostly yes.” Still, 16.3 percent indicated “definitely yes” on at least one item, and 15.3 percent indicated “mostly no.” This mix shows that the middle is not stable ground. Alignment and commitment can tip in either direction.

Implications

There is an old saying about organizations: 20 percent of your people will run to help put out a fire, 20 percent will run away. But what about the 60 percent in the middle? Four Currents research shows a majority of respondents fall into this middle group. They might help you save the building, or they might not. Are they ready to engage in a transformation with you?

The Four Currents

Signals for Senior Leadership

Before transformation, leaders have an imperative to make sure the substantial investments of revenue and time it takes to succeed are not wasted if employees do not believe in the effort or will not support it. Transformation requires more than an executive announcement. It takes a clear vision, constant prioritization, and consistent alignment through reminders, especially to the Movable Middle, of “Why?” and “What’s in it for me?” When people believe transformation is in their long-term interest, you have your best chance at success.

Data Notes

Current One data visualized above is a composite index of three questions related to internal capabilities. We ask respondents to consider (a) whether their organization’s people, processes, and technologies are among the industry’s best; (b) whether their organization has clear focus, in which people, processes, and technologies are aligned and coordinated; and (c) whether their organization has sufficient resources to achieve success. Each response indicates a degree of agreement ranging from “Definitely Yes” to “Definitely No.” Together, these provide a contoured assessment of confidence and alignment around internal capabilities.

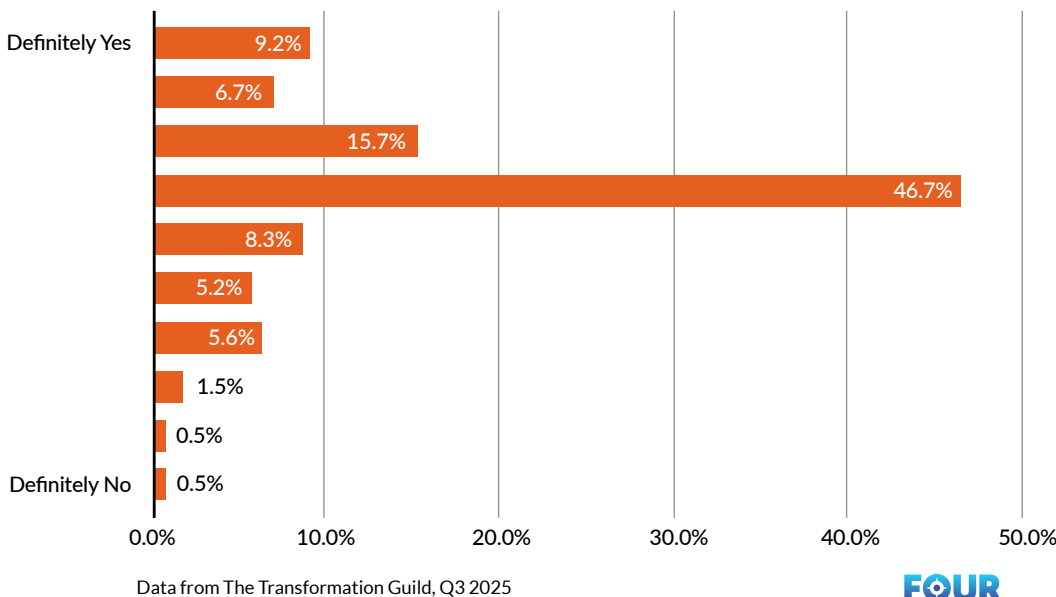


Current Two

People Not on Your Payroll

Beyond the Fence Line: Deepening External Trust

Do you feel your company receives clear and consistent value from vendors?



Analysis

Moderate confidence dominates evaluations of partners and vendors. Nearly half of respondents express general agreement, yet fewer than 10 percent have complete confidence in the external capabilities their organizations depend on.

Implications

Moderate confidence can mask deeper skepticism. Even slight doubt about external partners can foster internal resistance. When employees ask whether outsiders are needed or whether costs are justified, doubt spreads quickly. Employees ask, “What is the real motivation of our leaders?” and “Is this transformation an excuse to reduce headcount?” Disengagement can jeopardize knowledge transfer, teamwork, communication, productivity, and reputation.

The Four Currents

Signals for Senior Leadership

Building trust with external partners begins with a clear directive, mission, scope, and performance expectations. Trust between senior partners who sign a contract is only the start. Multi-level efforts must follow, building trust with vendors into deeper layers of management. When employees see external partners deliver on KPIs and act in the organization's interest, engagement can follow.

Data Notes

Current Two data visualized above are a composite index of three questions related to external capabilities. We ask respondents to consider (a) whether their organization receives clear and consistent value from vendors and partners; (b) whether the right vendors and partners are in place to achieve strategic goals; and (c) whether sufficient resources are available to support these external engagements. Each response indicates a degree of agreement ranging from "Definitely Yes" to "Definitely No." Together, these provide a contoured assessment of confidence and alignment around external partnerships and their role in strategic execution.

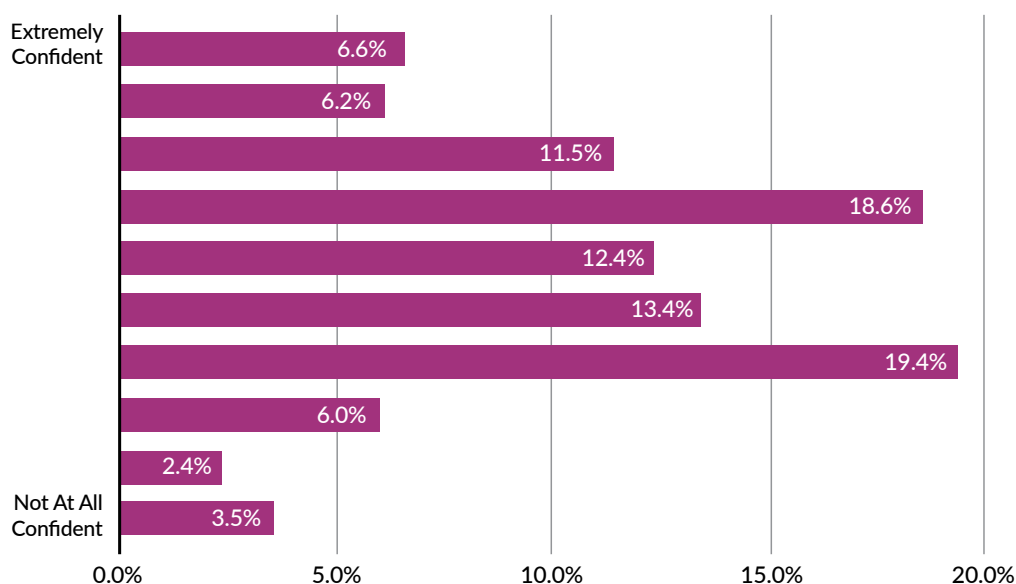
The Four Currents



Current Three Knowable ROI

From Metrics to Movement: Making ROI Real

How confident are you in the return on investment your company receives for resources allocated to current priorities?



Data from The Transformation Guild, Q3 2025

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Analysis

Only 6.6 percent of respondents indicate strong confidence in their organization's measurable priorities. Fewer than 15 percent express outright doubt, yet the overwhelming majority occupy the moderate middle, with "somewhat confident" as the most common response. This pattern signals broad uncertainty about whether the KPIs being tracked truly reflect value.

Implications

If fewer than seven employees in every hundred express strong confidence in measurable priorities, misalignment should be assumed to be active and influencing execution. Doubt about how investments are made becomes a credibility issue that slows decision-making, weakens commitment, and erodes momentum before implementation even begins.

The Four Currents

Signals for Senior Leadership

The good news here is that the Movable Middle can be persuaded to believe. It may be a program in itself, but overcoming ROI skepticism will pave the way for investments in transformation like few other initiatives. That's best done with better transparency and communication, with very clear explanations about strategic rationale for investments.

You'll likely be more successful if you involve your people in the process, asking for feedback and relying on trusted, loyal employees as emissaries. Show the numbers. Managers will own what they see and believe. By fostering a culture of open dialogue and demonstrating clear, measurable progress, leaders can turn employee skepticism into alignment, support, and success.

Data Notes

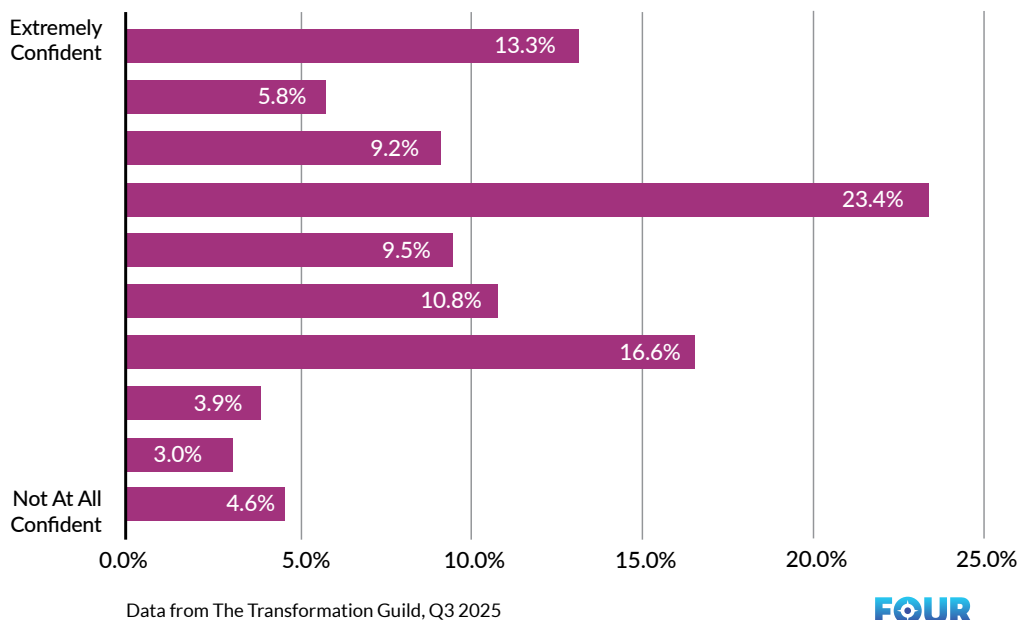
Current Three data visualized above are a composite index of three questions related to measurable ROI. We ask respondents to consider (a) confidence in the ROI received for current priorities; (b) whether their organization is focused on the right priorities; and (c) whether their organization has sufficient resources to achieve current priorities. Each response was rated on a four-point scale ranging from "Extremely Confident" to "Not at all Confident." Together, these inputs provide a contoured assessment of confidence and alignment around initiatives with measurable outcomes.



Current Four Unknowable ROI

Betting on Tomorrow: Aligning around the Unknowable

How confident are you that your organization will be competitive going forward?



Analysis

Long-term confidence tends to be strong overall. Fewer than 10 percent of respondents express pessimistic views. Still, moderate views remain more common than firm confidence in initiatives where ROI cannot be measured. This indicates uneven conviction in future-facing investments.

Implications

Without concrete metrics, leaders can struggle to justify budgets, especially when these initiatives compete with projects that have measurable ROI. Depending on culture, leaders may shy away from initiatives with unpredictable or intangible benefits. This creates a bias toward short-term thinking, which undermines transformation.

The Four Currents

Signals for Senior Leadership

What does success look like? That is the key question senior leaders must answer, even for investments without a direct financial return. The vision must align with strategy, including goals like improving customer satisfaction, strengthening employee engagement, or building brand strength. Define leading indicators on the path to success. Use small-scale demonstrations and early wins to build confidence and preview the future the investment enables.

Data Notes

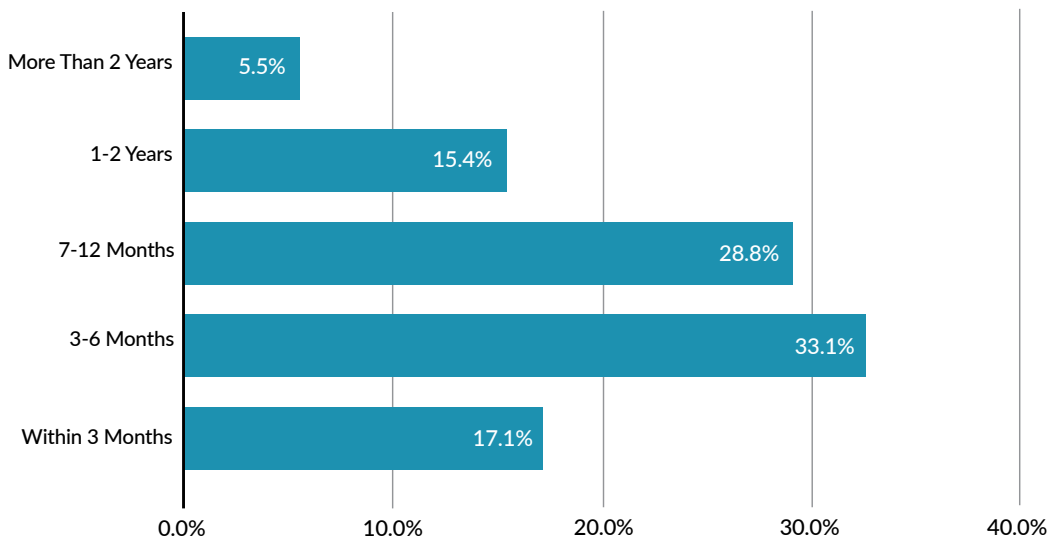
Current Four data visualized above are a composite index of three questions related to unknowable ROI. We ask respondents to consider (a) confidence that their organization will be competitive going forward; (b) whether their organization is making the right investments for the future; and (c) whether their organization is investing enough resources for the future. Each response indicates a degree of agreement ranging from “Extremely Confident” to “Not at all Confident.” Together, these provide a contoured assessment of confidence and alignment around initiatives where ROI is not measurable.



Tide Chart Confidence Time Horizon

Time as a Current: Matching Ambition to Reality

How soon must a new project show measurable benefits before you would become skeptical or frustrated?



Data from The Transformation Guild, Q3 2025

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Analysis

The most common expectation is that initial transformation results should appear within 90 days. Even so, 20.9 percent of respondents are willing to wait a year or more, showing tolerance for longer horizons, but that tolerance is less common.

Implications

With expectations that tangible results will show up within three months, leaders face pressure. Without visible proof, doubt can spread through the organization. Bluntly stated, transformation efforts that cannot produce visible value in the first 12 months, no matter how promising, will lose steam.

The Four Currents

Signals for Senior Leadership

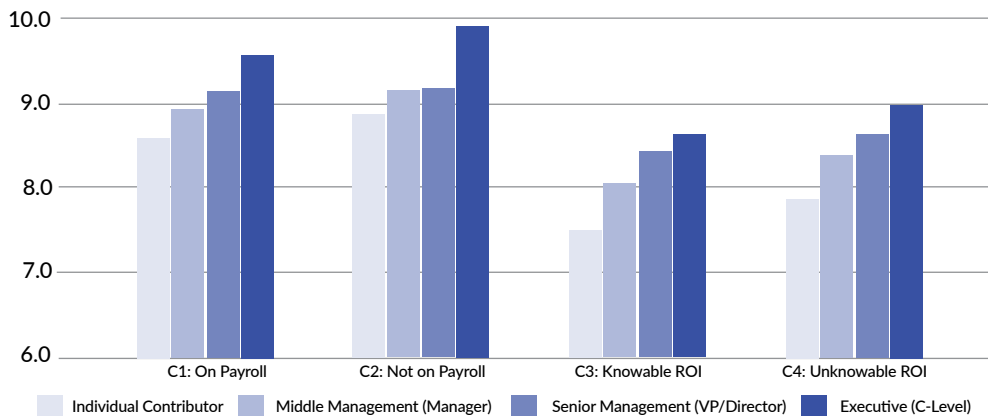
Leaders must sell the long game. That means aligning time horizons with strategy and managing expectations with discipline. At many companies, employees have been saturated by change initiatives for years, and the term transformation has been applied to smaller, less consequential efforts.

Here is what to avoid: organizations that misjudge how soon visible change will come lose confidence in their ability to change and lose the will to transform successfully. Remember the statistic: 88 percent of transformation initiatives do not succeed. If time horizons are not communicated and supported by action, companies over-invest in short-term wins and under-invest in long-range growth. They trade faster payoffs for the foundational changes that can determine survival.

A Deeper Dive

Four Currents by Role

When Confidence Rises Faster Than Clarity



Data from The Transformation Guild, Q3 2025

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Analysis

The view from the top is consistently more favorable than the view from the front lines, with confidence rising at each step of seniority across all Four Currents. This gap is most visible in ROI, where leaders see strength while those closer to execution report only “OK.” This suggests senior leaders may miss subtle shifts and early drift emerging in the middle.

Implications

A clear and present danger for leadership is losing touch with levels below. (Some, cynically, call it the Ivory Tower Syndrome.) Confidence is built up and down the organization when measurement systems are unimpeachable and metrics can be consistently delivered by trusted teams and partners. If the math is fuzzy, people fall out of alignment.

There’s a special challenge in units where the focus is on longer-term. Leaders with initiatives like innovation, for instance, can’t always quantify short-term value. It’s why senior leaders have an obligation to preach patience, educate organizations on value creation, and constantly refresh metrics they’re able to utilize.

One reality is clear: AI optimism is not the same as AI readiness. Leaders believe in AI’s potential, yet capability, adoption, and alignment lag behind. This misalignment is becoming a new frontier of the credibility gap, especially as organizations make larger AI-related investments without building shared understanding or confidence.

A Deeper Dive

Signals for Senior Leadership

Leaders cannot take it for granted that the workforce stays in lockstep or stays equally confident across units. Improving ROI alignment starts with a shared value language: this is what value looks like, this is how value is tracked, and this is why value matters.

One alignment approach is to pair leaders across departments, formally or informally. Units with precise measurement systems, like finance and sales, can help build confidence in departments with more speculative initiatives, like marketing and brand. When these groups share how they define and track value, broader themes emerge, and belief strengthens.

Reliable metrics are a powerful tool for connecting departments and levels to transformation success.

What Surprised Us in Wave 4

- Leaders' optimism widened while contributor confidence declined.
- ROI skepticism grew even as organizations accelerated investment.
- Teams report rising uncertainty about time horizons beyond 12 months.
- Only 13.5 percent of respondents believe their company is ahead in AI adoption.
- External partners remain under-leveraged despite rising operational complexity.

These patterns point to a widening credibility gap that leaders need to address early.

Mapping the Moment

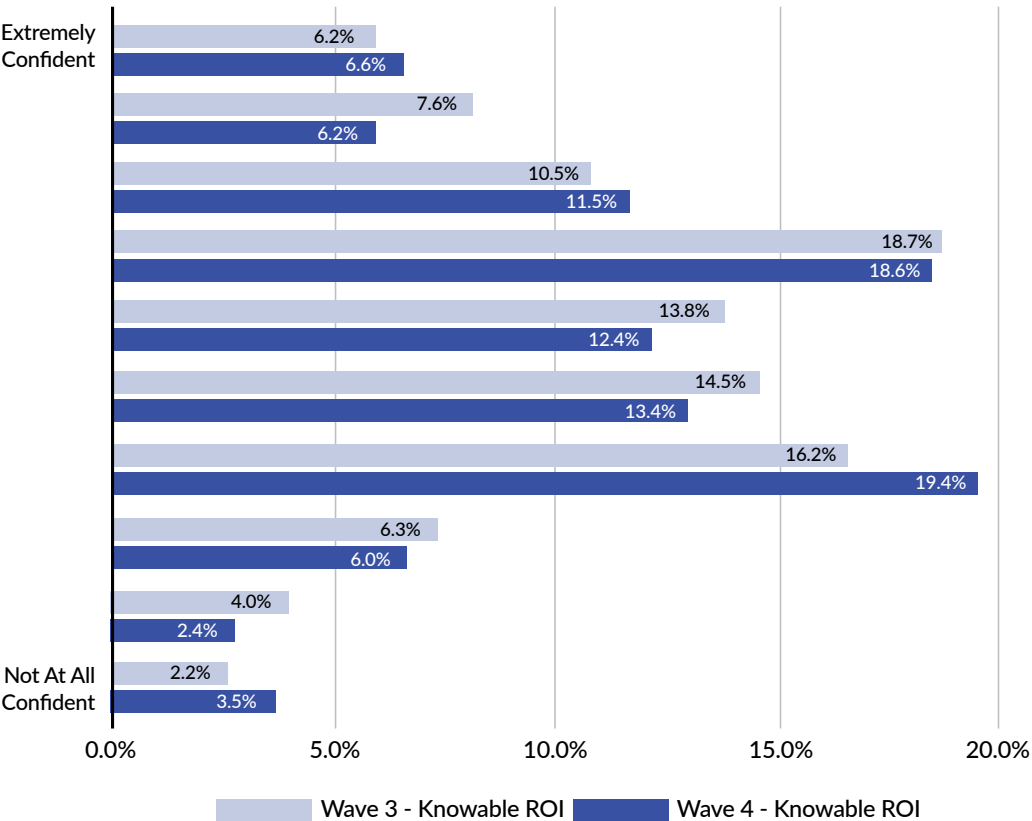
Wave 4 reveals a clear inflection point in transformation execution. **Two forces are shaping outcomes more than any others: confidence in knowable ROI and alignment around AI adoption.**

Knowable ROI reflects how well organizations trust their own decision logic. When confidence in measurable value weakens, skepticism spreads quickly, priorities fragment, and leaders default to safer, shorter-term bets. Even subtle shifts toward uncertainty can slow execution long before results visibly decline.

AI adoption exposes a parallel tension. Leaders largely believe in AI’s potential, yet adoption and urgency vary widely across organizations and roles. Where alignment is strong, confidence across all Four Currents rises. Where it is weak, AI becomes another accelerant of drift rather than a catalyst for momentum. Taken together, these signals map where transformation is holding, where it is hesitating, and where credibility risk is emerging. This section compares Wave 3 and Wave 4 data to show how small movements in confidence and alignment can have outsized effects on execution, especially in the Movable Middle.

Current Three: Knowable ROI

Early Signs of Confidence Slippage from Q2 to Q3 2025



Analysis
A subtle drift emerges across Wave 3 and Wave 4 in evaluations of Current Three, Knowable ROI. In Wave 4, “Somewhat Confident” becomes the modal response, with 19.4 percent of respondents at this level. This is 3.2 points higher than Wave 3. While small overall, this shift reflects growth in the share of respondents who are now unsure rather than leaning positive.

Data from The Transformation Guild, Q3 2025



Mapping the Moment

Implications

It's a double-edged sword. Growing skepticism about ROI increases execution risk. Some caution is understandable, especially when returns are uncertain, for example AI applications or other investments where benefits are difficult to measure early. Organizations are not insulated from external volatility. In stressed cultures, second-guessing can become the default behavior.

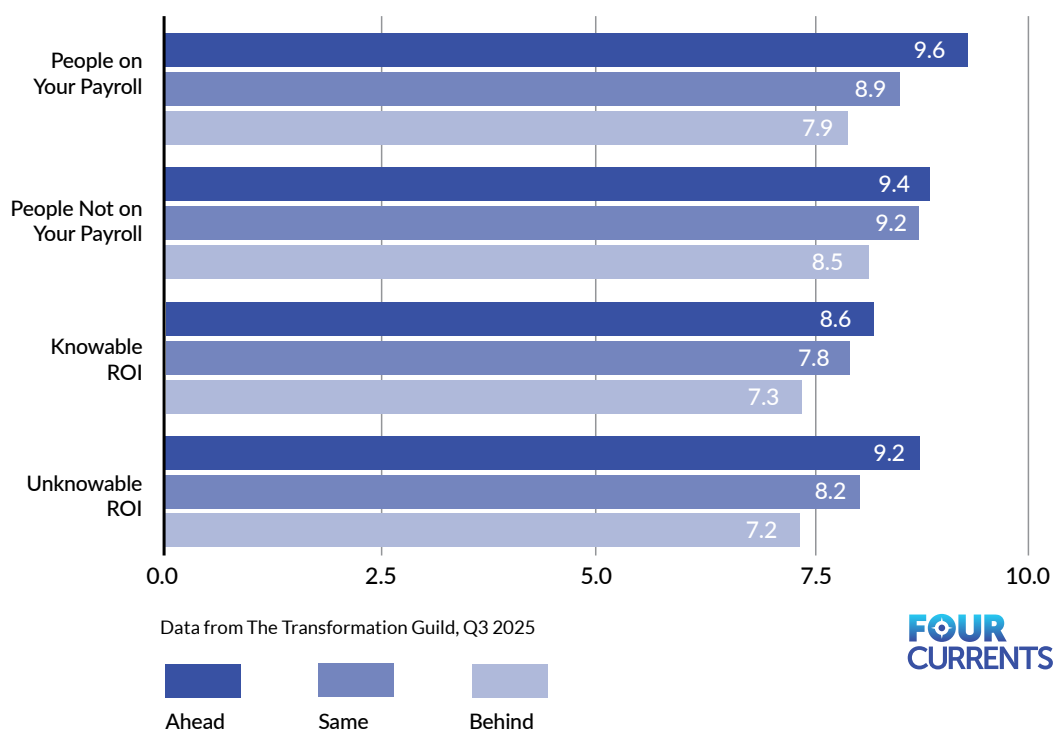
Signals for Senior Leadership

It is too early to tell whether skepticism will continue to rise. If it does, organizations may become more cautious about innovation. Safe bets may be prioritized at the expense of programs with longer-term payoffs, including those with greater potential value.

Mapping the Moment

AI Adoption: Capability Drives Adoption More Than Urgency

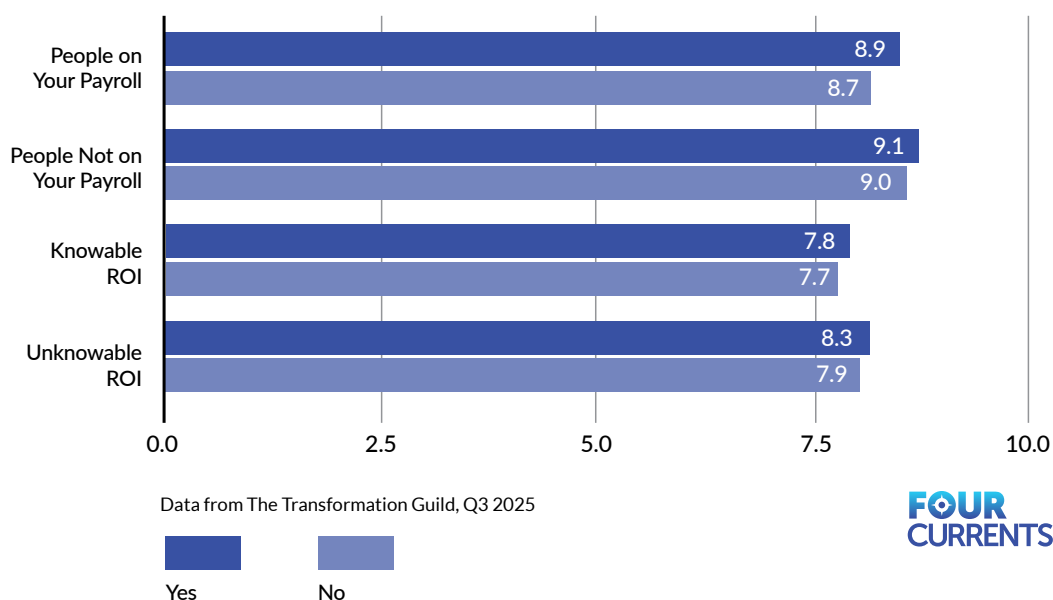
How does your AI adoption compare to other firms?



Analysis

Relatively few respondents, 13.5 percent, report their company is ahead of other firms in AI adoption. These respondents report higher alignment and confidence across all Four Currents compared with those who report being at parity or behind.

Is there a sense of urgency around AI tool adoption?



Analysis

Slightly less than half of respondents, 42.3 percent, indicate their organization has a sense of urgency around AI adoption.

Mapping the Moment

Implications

Moving quickly requires alignment. Lack of alignment contributes to falling behind. Notably, the differences observed here are relatively small. For Currents 1 and 2, an average score of 9 indicates respondents cluster around “Mostly Yes” on internal and external talent. For Currents 3 and 4, an average score of 9 indicates respondents cluster around “Very Confident” on Knowable and Unknowable ROI.

Signals for Senior Leadership

Managing the middle matters. Gaps in alignment emerge where understanding and confidence are thin. Small shifts in beliefs can be the difference between failing fast and succeeding.

Creating a sense of urgency does not guarantee alignment around transformation initiatives. Alignment is required for urgency to have impact.

What This Means for Senior Leadership

Two signals matter most right now: **confidence in knowable ROI** and **alignment around AI adoption**.

When confidence in ROI weakens, execution slows. Skepticism about where money is going, and whether it is worth it, dampens engagement and narrows ambition. Leaders often respond by choosing safer, easier investments with visible returns, even when long-term survival depends on bolder moves. Over time, this bias toward short-term certainty erodes transformation credibility.

AI introduces a parallel risk and opportunity. Belief in AI’s potential is widespread, but readiness to apply it is uneven. Organizations that report being ahead in AI adoption also report stronger confidence and alignment across all Four Currents. Where adoption lags, AI becomes another source of uncertainty rather than a catalyst for momentum.

The opportunity lies not in deploying more tools, but in using AI to strengthen alignment. AI can provide real-time insight into employee sentiment, surface early drift signals, and reduce friction through automation. Used well, it can help leaders see where confidence is thinning and intervene before skepticism hardens.

What Wave 4 makes clear is this: Belief in AI is not the same as readiness to apply it. Confidence is not cascading evenly. Value is not universally understood. Usage is not embedded across roles.

From Insight to Action

Charting the Course

Wave 4 of the Four Currents research confirms a critical truth: confidence and alignment are not just enablers of transformation. They are preconditions. Even the most well-designed strategy will falter if belief, clarity, and capability do not reach every level of the organization.

This quarter's data acts as a timely navigation tool. It surfaces where momentum is building and where it is quietly breaking down. From the growing confidence gap between executives and individual contributors, to the uneven adoption of AI across roles, departments, and company types, the signals are clear. Transformation does not fail all at once. It loses traction in places where misalignment goes unaddressed.

That is why insight is not enough. This moment calls for orchestration.

- People on your payroll need more than motivation. They need clarity, coordination, and evidence that progress is being made.
- Vendors and partners must operate as extensions of your values and culture.
- ROI thinking must move beyond spreadsheets to include conviction in long-term bets.
- Trust in future outcomes is not about blind optimism. It is built through shared direction and visible momentum.

An organization with uneven confidence is like a ship with a skilled crew but no shared heading. It may move, but not with speed or certainty.

- Empower talent by making strategy feel relevant and achievable at every level.
- Reset vendor relationships to operate like true extensions of the organization.
- Clarify value by balancing urgent ROI with long-term strategic ambition.
- Build trust by aligning teams not just to goals, but to the system that delivers those goals.
- Be visible and vocal as time passes, always keeping employees' eyes on the prize, the "Why?" and "What's in it for me?" of transformation.

From Insight to Action

What This Moment Demands



Current 1

People on your payroll need more than motivation. They need clarity, coordination, and evidence that progress is being made.



Current 2

Vendors and partners must operate as extensions of your values and culture.



Current 3

ROI thinking must move beyond spreadsheets to include conviction in long-term bets.



Current 4

Trust in future outcomes is not about blind optimism. It is built through shared direction and visible momentum.



Time

An organization with uneven confidence is like a ship with a skilled crew but no shared heading. It may move, but not with speed or certainty.

Strategic Implications & Signals for Senior Leadership

The founder's message that begins this Wave 4 report introduces First Principles Thinking (FPT), the practice of breaking down complex problems into their most fundamental elements.

As a reminder, the following First Principles hold true for any business:

1. The survival and growth of an organization are contingent upon a continuous, superior exchange of value with customers.
2. All sustainable relationships, including those with external resources, are fundamentally driven by mutual, equitable value creation.
3. Financial resources are finite and must be allocated to maximize the probability of achieving a desired outcome.
4. The external environment is in a state of continuous, unpredictable change, requiring constant organizational adaptation to prevent obsolescence.
5. Time is not an infinite resource.

Our Wave 4 Four Currents Report is grounded in these tenets. A credible course toward transformation must be built on them.

In navigation, a marginal error of just 1 degree off course, maintained over a year (transformations typically span multiple years), would cause a sailing vessel to miss its intended destination by more than 3,000 miles.

This analogy is useful for transformation leadership and makes the case for taking care to explore First Principles before the journey and plan for remedial steps at the onset.

A survey across numerous unnamed companies cannot explain why gaps in confidence or alignment exist inside any one organization. That does not make the data less useful. It shows leaders where to look first for the cracks that can sink efforts. That doesn't make Four Currents data unhelpful. Quite the contrary: The +5,000 responses shine a light on First Principles Thinking in the context of transformation within your organization. It allows you to be confident about where to look for the rocks that can sink your efforts.

When leaders undertake to apply First Principles within their company, understanding the Why? becomes possible. You can have an honest evaluation of the entire organization and determine whether your people, collectively, are rowing in the same direction. And this is available free of concerns that views are filtered or that privilege is being offered to any single group of stakeholders.

Transformation is not a campaign. It is a leadership discipline. And clarity is your most strategic asset.

Your strategy may be solid. But if alignment and confidence are drifting, we can show you where and why.

Research Methodology

Data for this report was collected in October and November 2025. The survey was fielded among full-time employees earning \$70,000 or more per year. In total, 1,208 respondents completed the survey answering up to 63 questions. Analysis was based on responses that met data quality checks.

The Four Currents are measured as twelve total questions. Each Current is measured as three questions capturing evaluations of quality, focus, and resource availability, providing dimensionality to areas where there may be gaps in confidence and alignment. Results shared in the Four Currents Overview section focus solely on the quality dimension for clarity. Results shared in the Four Currents Diagnostics section incorporate the richer dimensionality.

About the Research Team

This report was developed by Tom Daly, Founder, The Transformation Guild, and led by Ethan Pew, PhD. Additional contributions were made by Lisa West, CMO, The Transformation Guild.



Tom Daly



Ethan Pew



Where To Steer Next

Wave 4 reveals a pattern leaders should not ignore

When confidence and alignment weaken, transformation does not collapse overnight, but the risk shifts quietly toward slower progress, blurred decisions, and delayed recognition of problems.

A Low-Risk First Step

Before drift becomes execution failure, we offer a complimentary Alignment & Credibility Review.

This is a focused, senior-level session (up to 60 minutes) grounded in the Four Currents Framework. It is not a sales call and does not presume next steps.

This review applies First Principles Thinking to your current transformation context, separating what is assumed from what is actually true.

Leaders use this review to:

- Pressure-test confidence and alignment assumptions
- Surface early credibility gaps tied to current initiatives
- Decide whether action is needed now, later, or not at all.

Start a Conversation

Many leaders begin with a complimentary Alignment & Credibility Review, a focused, senior-level session grounded in the Four Currents Framework. Others reach out to discuss research, speaking, or to view or share transformation stories in The Chart Room.

The right starting point depends on what is most relevant to you.



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Ways Leaders Engage Further

Following a conversation, leaders may choose to:

- Diagnose organizational alignment with the *Four Currents*: Transformation Readiness Assessment
- Stay ahead of the research with future Research releases
- View or share transformation stories in *The Chart Room*
- Engage leadership directly through keynotes or executive sessions

There is no prescribed path. The right next step depends on where your organization is today.

Why This Matters Now

The earlier alignment gaps are surfaced, the less costly they are to correct.

On Course Correction

“The Four Currents survey approach was valuable to myself and my organization. We were able to confirm our understanding of digital transformation and come away with an actionable direction to expedite growth.”

Eli Wendkos, VP Digital Transformation, Thibaut Design, Inc

On Alignment Across Complex Initiatives

“The Four Currents survey provided critical insight into where gaps existed in our alignment around sustainability. The analysis resulted in a course correction, secured cross-departmental alignment, and unlocked additional budget.”

Andrew Harner, VP Sustainability, Blommer Chocolate

The Research for Leaders Navigating Enterprise Transformation

Wave 4 of the Four Currents Research examines confidence, alignment, and time horizons shaping today's transformation outcomes.

Transformation succeeds when belief, clarity, and credibility align.

