

Why your 2026 modernization strategy is already at risk

January 28, 2026



Transformation and change in our industry are inherently hard

70%

of transformations fail to achieve their objectives — due largely to insufficient organizational alignment, lack of engagement, and capability gaps.

[McKinsey](#)

82%

of CEOs/CXOs at small- to mid-size insurers claim that change demands **require the organization to operate differently than it does today.**

Joint Matt B. Clifford/Life Insurers' Council (LIC) survey

Our industry's future value rests on **transformational execution**

Tech Transformation

New Strategy Launch

Product Innovation

New Market Entry

Acquisitions

Customer Centricism

- **Infrastructure Modernization**
- **Cloud Migration**
- **Data Re-architecture**
- **Core Platform Modernization**
- **AI Enablement**

Modernization is different. It's the 20% Work

the 80%

Evolutionary (BAU)

Incremental

Legacy norms



What organizations are built for

the 20%

Revolutionary

Transformational

New norms



Few do this well at scale



Life inside **the 20%**

***Execution risk is at its
highest***

Inside the
20%

“Hidden” frictions emerge

Priorities collide

Misalignment is exposed

“For business’ sake” becomes “for tech’s sake”

Two repeating patterns lead to a **silent demise**

the *Execution Slide*



the *Value Drift*



*Change Competence*TM

**Building operating norms for transformational
change**

Building change competence

Three leadership moves for the 20%

- 1. Put a wedge between “the good idea” and “go”***
- 2. Anticipate barriers from the outset***
- 3. Maintain genuine business sponsorship***



Change **competence in the** **era of AI**

*Exposing the risks of
using “80% norms” in “the
20%”*