The Multi-Million “No”: How Resistance to Change Costs More Than Change Itself

“Why didn’t we do this sooner?” - A department head said that to me after we delivered a change he had resisted for months. The irony? The cost that resulted from the delay, exceeded the project itself.

Last week I wrote about AI “cheating.” That resistance is only the surface. Efficiency, especially in software and data, often threatens identity, habits, and power structures.

People hear “automation” and think “replacement.” Leaders hear “change” and imagine risk, not taking into account the cost of *no* change.

The real cost of resistance

Transformation failure is common. Studies across sectors report sobering outcomes. Around **70% of transformations fail** to hit their goals. In banking, **most digital programmes blow past budget**, with a material share costing 2× or more. Logistics leaders report **three-quarters of digital efforts** miss stated targets. Software delivery data shows only **31% of projects** meet the success bar. These misses are expensive, and the opportunity cost of delay compounds every quarter.

The paradox: Many professionals (particularly in finance) quantify risk all day, stress tests, capital buffers, yet become **hyper risk-averse** about their own change. We can price market risk but often misprice transformation risk. That bias is human. Loss aversion makes potential losses feel bigger than equal gains.

A derivatives trader once told me, 'I'm not a button-pusher, I read markets.' When we introduced algorithmic tools, he saw them as reducing him to exactly that: “a button-pusher,” so we had to reframe it: 'You're not pushing anything; you are managing and orchestrating a set of analytical tools to do what YOU want.'

Why people resist

Psychological

- **Loss aversion.** The professional who mastered Excel watches Python eat the repetitive half of his role. It feels like loss, not gain.
- **Identity shock.** “If the tool does it, who am I?” People’s expertise tied to an old method feels under attack.
- **Competence trap.** Being *very* good at the old way blinds others to a better way.

Organisational

- **The bonus problem.** Personal KPIs reward old behaviours, so rational people defend them.
- **Middle-management squeeze.** Champions are the ones above, resistance the ones below; and the layer in the middle absorbs all the heat.
- **The regulatory excuse.** “Compliance won’t allow it” becomes a shield. Usually, controls exist but need analysing and redesigning.

Cultural

- **Prestige.** Manual complexity can equal a subjective level of seniority. Simplicity looks junior.
- **Status threat.** People hear change as, “You were doing it wrong.” If they didn’t originate the idea, some will quietly block it.
- **Authority friction.** A Project Manager without line authority is “imposing” on teams. That creates passive resistance.

Real scenarios, real solutions (anonymised)

Scenario 1: Legacy migration is “too risky to change”

Situation. Multi-system, cross-time zone asset operations. Aged interfaces. Fear of breakage. High costs of connectivity and data interchange.

Obstacle. “Any change will disrupt clients.” Every meeting ended with “not now.”

Action. We mapped golden sources, set dress-rehearsals with real data, wrote rollback steps, and defined a hard go/no-go gate with clear owners.

Result. Clean cut-over. Faster settlement. Fewer breaks. The playbook became a reusable pattern for later migrations.

Scenario 2: Hybrid model tensions: digital efficiency vs human oversight

Situation. Leadership wanted end-to-end automation. Operations flagged edge cases and model drift.

Obstacle. A binary debate: “teamless future” vs “no change.”

Action. We defined a **two-lane design**: high-confidence paths automated; uncertain paths routed to human review with full audit. KPIs split by lane.

Result. Throughput up without raising risk. Management saw the graph: automation where safe, judgement where needed.

Scenario 3: AI in research: augmentation, not automation

Situation. Analysts drowned in documents.

Obstacle. Fear that an LLM would replace expert reading.

Action. Broke the work into *classify* → *extract* → *validate* → *summarise*. Built a golden set. Added retrieval guardrails and a “prove-it” note on each claim.

Result. Time-to-insight dropped. Analysts kept authority. The model became a **force multiplier**, not a rival.

The practical playbook

My first transformation project was a disaster. I walked into the meeting room with a 50-slide deck about 'digital innovation.' By slide 10, half the room was checking their phones. By slide 30, someone actually stood up and left. That's when I learned: nobody ever changed because of a PowerPoint presentation.

Here is what actually works:

Pre-change: Set the Foundation

- **Resistance map.** List your “organisational antibodies” before they activate.
- **Coalition strategy.** Win over the critical few. One by one.
- **Pilot principle.** Small wins make big believers.

For the resistance map, I literally draw check and X signs on a whiteboard. Green checks for supporters, a red X for blockers, yellow question marks for “indecisive.” It might sound juvenile, but it saved the project when we spotted that all our reds reported to one person, so we engaged with her, and fixed everything.

During Change: Manage Turbulence

- **Two-speed approach.** Let early adopters run; give cautious teams safe frameworks.
- **Safety valve.** Create a place to vent and get things fixed. Visible logs, fast responses.
- **Victory recognition.** Celebrate resisters who convert. They become your best advocates.

In a different project, the two-speed approach saved us during a system overhaul risk assessment. We let the quants deliver their solution with Python models, while the operations personnel kept their Excel comfort tool.' Six months later, the Excel team was asking us to create an automated solution for them.

Post-change: make it stick

- **New normal.** Make old ways look archaic, not “wrong.”
- **Story strategy.** Let converts tell the journey in their words.
- **Next mountain.** Use momentum. Ship the next thin slice.

After implementing a new client facing system, we did something unusual, we filmed one of the biggest sceptics, now turned champion, explaining why the system works better. That 1-minute video did more for adoption than any training manual.

The transformation leader’s toolkit

I once killed a transformation project with a single question. In a steering committee, I asked, 'Why are we still doing it this way?' The room went silent, and the project sponsor got upset. I'd just implied 15 years of his work was wrong. **Lesson learned: how you frame your words matter!**

Here's how to read the room and respond better than I did:

Reading resistance (early signs)

- **Sign:** “We need more funding.” → Financial paralysis. **Proposed solution:** Challenge the assumptions with a high-level plan.

  I heard this from a team that had barely touched their existing budget. Turned out 'funding' meant 'permission to fail safely' as they feared spending would impact their performance metrics. To manage that, we created a 'learning budget', using the same money, just with a different label. Resistance was cleared.

- **Sign:** “Let’s wait for X.” → Moving goalposts. **Proposed solution:** Fix a date, control scope for waterfall, prioritise functional releases based on business case for agile (and for scope control).

  My favourite anecdote was 'Let's wait until after bonus season,' so I reacted with, 'Great, let's plan for that. What can we prepare now?' It forced the real objections to surface.

- **Sign:** “It’s not possible because Y *might* happen.” → Risk without probability. **Proposed solution:** Design a control, agree risks and mitigations with experts.

  During a real-time implementation, the Head of Treasury stopped everything with: 'What if a payment gets duplicated and we can't reverse it? We could lose millions!' He painted apocalyptic scenarios of rogue transactions flooding the system.

  I resisted the urge to say, 'that's highly unlikely.' Instead, I asked: 'Excellent point. How often do duplicates happen in the current system?'

  'Well... never. But it COULD happen!'

  That's when I knew we were dealing with fear, not facts. Here's how we fixed it:

  1. **Quantified the risk:** We calculated that based on our volumes, the probability of a duplicate passing all existing controls was 0.0001%. The potential loss? $10K maximum given the transaction limits for that system.
  2. **Designed the safety net**: We built a 'duplicate detection service' that flagged any payment matching amount, account, and reference within 60 seconds. Additional cost to the project: $20K. Peace of mind: priceless.
  3. **Made it visible**: We created a real-time dashboard showing every duplicate identified. First month: 3 duplicates caught (all legitimate user errors). The Head of Treasury became our biggest advocate as he could see the control mechanism working.

  The conversation shift was key:

- **Before**: 'But what if disaster happens?'
- **After**: 'Here's exactly how we'll prevent disaster, and here's how you'll know it's working.'

He needed to own the control, not just hear about it. Now he talks to everyone about ‘his’ duplicate detection system at every steering committee. Sometimes the best way to handle 'what if' is to make it 'here's how.

Better conversations

- Swap **“You need to change”** for **“Help me understand your concerns”** attitudes.
- Use their language: ROI with Finance, risk mitigation with Compliance, less errors for Operations
- “What if…?” scenarios lower fear by clearing the concerns with a clear risk control strategy.

I learned the language trick from a painful experience. I once told Compliance we'd make their work 'easier.' They heard 'less important.'

Now I say, 'more strategic', same outcome, different reception.

Real conversation that worked:

- Me: ‘Help me understand what worries you about this change.’
- Risk Manager: ‘That we'll miss something and get fined.’
- Me: ‘What if we built in triple-checking for the first six months?’
- Risk Manager: ‘That could work’.

Metrics that matter

- **Business outcome correlation.** Link features to business KPIs.
- **Adoption velocity.** Track by team, recognise the work done by them.
- **Track time from sceptic to advocate.** That curve tells you if culture is moving.

Counterintuitive truths

Your biggest resisters can become your best champions.

They know every objection. Their conversion carries weight. Most resist from *pride* in standards, not apathy, use that pride.

Treat resistance as information, not opposition.

Objections reveal what people value. Refine the design. Do not retreat.

Speed isn’t everything.

Rapid change without safety scars teams. Sustainable beats spectacular.

Conclusion: The choice point

Back to that leader: “Why didn’t we do this sooner?”

Most “Nos” are not about the solution but about identity, incentives, and fear. The **cost of not changing** is often larger than the **cost of changing (particularly if the transformation is well delivered)**. We see that in banking, logistics, and software delivery data, again and again.

Just as *AI isn’t cheating*, **change isn’t betrayal**. It is professional pride, updated with better tools.

Call to action

- **Share your most difficult transformation story**, and how you turned it around.
- What’s the **most creative excuse** you’ve heard for avoiding change?

Sources used for metrics: transformation failure rates and sector specifics from McKinsey; banking budget overruns; logistics digital outcomes; software project success rates; and psychological foundations of loss aversion.

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