TRANSFORMING CLIENT ENGAGEMENT: IMPLEMENTING SUBSCRIPTION MODELS IN INFORMATION TECHNOLOGY CHANGE MANAGEMENT

Abstract

This qualitative action research study examined an organizational transition from a traditional Statement of Work (SOW) model to a subscription-based payment approach within a change management firm in the western United States. Guided by Rogers' diffusion of innovation theory, the project engaged three organizational stakeholders through interviews and a workshop intervention to explore perceptions of the new model and identify practices that support successful adoption. The study developed a structured process framework that emphasizes leadership communication, readiness assessment, tailored training, resistance mitigation, expert consultation, reflective journaling, and continuous feedback as essential components of the transition. Findings showed that aligning the subscription model with existing workflows and client expectations enhanced understanding and stakeholder commitment. The study contributes practical guidance for organizations pursuing similar transformations, demonstrating that sustained leadership involvement, clear communication, and an adaptive culture are central to long-term success.

Keywords: subscription model, change management, client engagement, organizational transformation, adaptive leadership, stakeholder readiness, iterative implementation

Author Information

Angela Jiles- Charles, Capella University

Dr. Angela Jiles-Charles is a distinguished educator, veteran, and business leadership consultant with extensive expertise in leadership and organizational change. She holds a Doctor of Education in Performance Improvement Leadership from Capella University and a PhD in Management with a focus on Strategic Leadership Policy from Walden University, where she completed research on *Perceptions of Women of Color in High-Technology Management.* A certified Scrum Master and Product Owner, she integrates agile methodologies into her leadership practice.

As a business coach and active member of Zeta Phi Beta Sorority, Incorporated, Dr. Jiles-Charles is committed to community service and mentorship, empowering small business owners and low-income families through various initiatives. Additionally, she is the author of the children's book *It Is My Turn to Be the Leader*. A proud U.S. Army veteran, she is passionate about continuous learning and research in leadership and diversity, which inform her multifaceted approach to fostering organizational growth. This article aims to contribute valuable insights to the ongoing discourse on effective leadership and change management. **acharles9200@gmail.com**

Introduction

The transition from a traditional statement of work (SOW) model to a subscription-based payment approach represents both an operational and cultural shift for organizations engaged in change management. This study explores how three stakeholders within a single organization perceived and experienced the transition, using a qualitative applied improvement project (AIP) grounded in an action research design. Rogers' (2003) diffusion of innovation theory provided the theoretical lens, emphasizing how perceptions of advantage, compatibility, and complexity influence the adoption of new practices.

Through interviews and an intervention-based workshop, the study explored factors that supported or hindered adoption, with particular attention to communication, leadership engagement, and readiness for change. Prior research has highlighted that sustained leadership involvement, clear communication, and structured training can help reduce resistance and build stakeholder confidence during major transitions (Kotter, 1996; Schein, 2010). Further, Freed et al. (2022) noted that the subscription model has revolutionized digital transformations. The findings extend this literature by identifying actionable practices organizations can use when shifting from project-based to subscription-based service models.

Background

The broader shift toward continuous value delivery has led many organizations to replace traditional project-based payment models with subscription-based frameworks. This transition offers the potential for more predictable revenue, stronger client relationships, and greater adaptability to changing market conditions. Yet, moving from a Statement of Work (SOW) structure to a subscription model requires significant operational and cultural adjustments, as it changes how services are defined, delivered, and perceived both internally and externally.

Resistance commonly arises when stakeholders are uncertain about how the new model aligns with established practices or affects their responsibilities. Rogers' (2003) diffusion of innovation theory provides a relevant framework for examining these dynamics, emphasizing that adoption depends on perceived benefit, compatibility with existing systems, and the complexity of implementation. Understanding stakeholder perceptions is therefore central to managing the human side of this transformation.

This study explored the experiences of three key stakeholders within one organization undergoing this transition, identifying the communication strategies, leadership behaviors, and readiness factors that influenced acceptance. The findings offer practical insight for leaders navigating similar payment model shifts and contribute to the growing body of literature on organizational adaptation and innovation adoption.

Problem and Gap in Practice

The organization undergoing the intervention faced a significant challenge in transitioning from a traditional SOW model to a subscription-based payment system. Although the subscription model promised stronger client engagement and more predictable revenue streams, adoption had reached only 2%, far below the organization's target of 100%. This shortfall represented a clear problem of practice with implications for financial performance and long-term viability.

The limited adoption rate appeared to stem from unclear communication regarding the value and benefits of the subscription approach. Previous attempts to refine sales training and marketing strategies were not effective. Sales representatives expressed uncertainty about how to effectively explain the model, and clients raised concerns about the perceived value and pricing. These difficulties reflect the barriers identified in prior studies of subscription transitions, particularly when value propositions and sales enablement processes are not well articulated (Klopčič et al., 2020; Riesener et al., 2020).

Although existing literature highlights the financial advantages of subscription-based frameworks, including greater revenue predictability and stronger customer retention (Weland et al., 2024), far less is known about the qualitative experiences of stakeholders during implementation. This gap limits understanding of how internal perceptions, concerns, and readiness shape adoption outcomes. Research shows that addressing stakeholder perspectives and engaging them throughout the change process is essential (Xiong et al., 2022), yet comprehensive strategies that integrate stakeholder feedback and experiential learning into subscription transitions remain limited in both scholarship and practice.

Applied Framework and Literature Review

The framework used in this AIP was grounded in Rogers' diffusion of innovation theory. This theory provides a foundational understanding of how innovations, including subscription-based models, spread within organizations and among stakeholders. It emphasizes critical factors influencing the adoption process, such as perceived advantages, compatibility with existing practices, complexity, and social influences (Rogers, 2003).

The AIP followed a structured approach to address the significant performance gaps observed in the organization's subscription model adoption. This approach includes the following phases:

https://coralsllc.com

1. Planning: This phase involves identifying key challenges and developing targeted interventions. The AIP emphasizes the importance of organizations continually delivering value and strengthening customer loyalty (Riesener et al., 2020).
2. Implementation: The implementation phase consists of conducting workshops designed to enhance participants' understanding of the subscription model and its operational implications. This interactive approach engages stakeholders, fostering collaboration and effective learning (Klopčič et al., 2020; Xiong et al., 2022).
3. Evaluation: This phase focuses on assessing the outcomes of the intervention against the established goals. It emphasizes the importance of ongoing feedback and adaptation to ensure the successful integration of the subscription model into organizational practices (Weland et al., 2024).

By leveraging Rogers' framework, the AIP aims to facilitate a smoother transition to a subscription-based model, ultimately enhancing client engagement and improving the organization's financial stability.

Figure 1

Applied Improvement Project Model
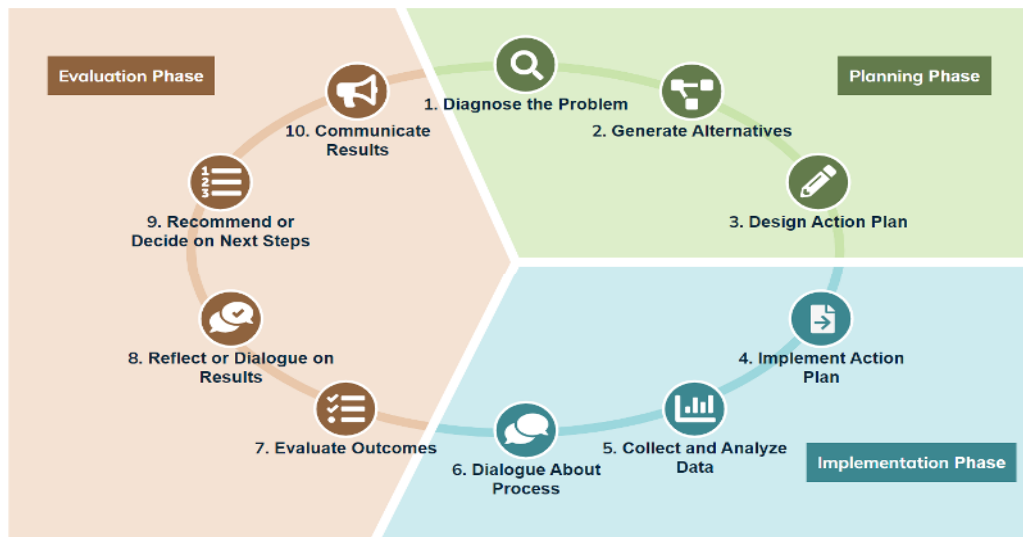
Note. This figure shows the phases, steps, and connections of the project. The shaded sections represent the three major phases, while the circular icons represent the 10 steps. The line between the icons represents the connection between each step within the corresponding phase.

Literature Review

Table 1 provides a review of key themes and findings from the literature relevant to the transition from traditional payment models to subscription-based frameworks within change management organizations. The sources cited in Table 1 include recent studies that emphasize the importance of clear communication and effective training in driving the adoption of successful subscription models. Notably, the works of Kowalkowski and Ulaga (2024) and Salminen et al. (2023) highlighted the importance of aligning organizations' value propositions with customer expectations. Furthermore, research by Xiong et al. (2022) and Parvin et al. (2022) highlights the importance of internal readiness and effective sales training in addressing the challenges associated with implementing subscription models.

Table 1

Literature Summary

Theme	Key Findings	Citations
Client Perception and Value Misalignment	Customer hesitation often stems from concerns about return on investment and ownership loss. Effective communication of long-term benefits is crucial.	Kowalkowski and Ulaga (2024); Salminen et al. (2023)
Organizational Readiness and Sales Enablement	Internal factors such as readiness for change and effective sales training significantly influence the successful implementation of subscription models.	Xiong et al. (2022); Parvin et al. (2022)
Technological Integration	Robust technological infrastructure is essential for supporting subscription-based models, enhancing customer experiences, and streamlining management.	He et al. (2024)
Communication Strategies	Clear and effective communication strategies facilitate customer engagement and support the adoption process. Organizations should align messaging with client expectations.	Ahmad et al. (2020); Salminen et al. (2023)
Adaptability and Continuous Improvement	Organizations must foster a culture of adaptability, with ongoing training and feedback mechanisms, to ensure successful subscription model adoption.	Parvin et al. (2022); Xiong et al. (2022)

Design and Methodology

This study employed a qualitative methodology within an action research framework, utilizing an AIP design to facilitate the organization's transition from an SOW model to a subscription-based payment system. The approach followed Maxwell's (2012) 5-part framework, which includes goals, conceptual framework, guiding questions, methods, and validity. Rogers' (2003) diffusion of innovation theory informed the conceptual foundation, providing a lens for examining how perceptions of advantage, compatibility, and complexity influence adoption.

Data collection employed a purposive sampling strategy to identify a single organization actively moving toward a subscription-based model. Three participants were selected based on their direct involvement in the transition process: the chief executive officer (CEO), the project manager (PM), and an external consultant. These participants represented both internal and external perspectives, which are essential for evaluating organizational readiness and stakeholder engagement.

Data were collected through semistructured interviews and a series of workshops that formed the core of the applied intervention. The workshops were designed to assess readiness, refine communication strategies, and evaluate leadership alignment. Additional data sources included organizational documents and notes recorded in the AIP Implementation Journal, which served as a reflexive tool to capture observations, adjustments, and potential researcher bias during the intervention.

Two types of guiding questions shaped the inquiry: process questions assessed the development and introduction of the Subscription Toolkit, including leadership engagement and content usability; outcome questions examined how participants implemented strategies and prepared for the operational shift to the subscription model. The guiding questions included the following:

- How will the series of workshops ensure the Subscription Toolkit is effectively developed and introduced to leadership while addressing any gaps in content or usability?
- How will the series of workshops reinforce leadership commitment after the workshop series and define clear next steps to maintain momentum and accountability?
- In what ways are participants implementing the strategies presented during the series of workshops?

- In what ways did the implementation of the series of workshops prepare participants for the implementation of the subscription-based model workflow?

Participants

The participants in this AIP included an external consultant, a PM, and the organization's CEO. These individuals are directly involved in providing feedback on existing organizational processes and developing strategies for transitioning to a subscription-based model. The external consultant, who was previously a client, offered valuable insights into aligning the subscription model with the organization's overarching goals, providing an objective perspective to guide the development and evaluation of the applied intervention.

This focused participant group enabled in-depth engagement and precise data collection. The rationale for this composition stems from the organization's restructuring, ensuring that system changes are tailored to its specific needs (see Subedi, 2023). Establishing a sample size in qualitative research, particularly within the social sciences, involves a multifaceted process influenced by factors such as the research question, study design, and characteristics of the qualitative data (Subedi, 2023). In this case, the chosen participants were uniquely qualified to provide the necessary insights. Table 2 shows the participants who are also stakeholders within the organization.

Table 2

Participants and Stakeholders Involved in the AIP

Participant Role	Stakeholder Type	Background/Experience	Contribution
CEO	Internal Stakeholder	20 years plus in leadership and strategic planning, Scrum Master	Provides organizational vision and strategic alignment
Project Manager (PM)	Internal Stakeholder	20 years in project management and operations	Oversees implementation and operational aspects of transition
External Consultant	External Stakeholder	20 years in consulting, previously a client of the organization	Offers objective insights and aligns the model with organizational goals

Implementation

The implementation phase of the AIP represented the shift from planning to applied action. A 2-day in-person workshop series served as the central intervention, allowing participants to engage directly with the concepts and tools necessary to support the organization's transition from an SOW to a subscription-based model. The workshops were designed to assess readiness, strengthen communication, and align leadership around a shared transition plan.

Four structured sessions were conducted over 2 consecutive days. Each workshop built upon the previous one, moving participants from conceptual understanding toward practical application and reflection. The CEO, PM, and external consultant participated fully in all sessions, ensuring representation of both strategic and operational perspectives. Feedback collected during and after each session was recorded in the AIP Implementation Journal to document learning, adaptation, and emerging alignment.

Table 3

Summary of Workshop Implementation

Phase	Workshop focus	Core activities	Key outcomes
1. Preparation and Planning	Activating subscription readiness	Reviewed objectives, clarified roles, confirmed timelines, and introduced the Subscription Toolkit	Established shared understanding of goals and responsibilities
2. Operationalization	Introduction to subscription workflow	Facilitated interactive discussions, role-specific exercises, and toolkit walkthroughs; identified communication gaps	Enhanced clarity of workflow, improved role alignment, and refined messaging
3. Leadership Integration	Aligning leadership in the transition	Conducted case discussions and role-playing scenarios to model decision-making and client engagement	Increased leadership cohesion and agreement on implementation strategies
4. Reflection and Continuous Improvement	Measuring success	Defined success indicators such as subscriber growth, retention, and engagement; developed feedback mechanisms	Created evaluation plan and reinforced commitment to ongoing improvement

Across all workshops, dialogue emphasized transparency and shared ownership of change. The condensed 2-day format encouraged the immediate application of learning, allowing participants to refine their strategies in real time. The CEO's decision to include the PM and consultant in each session proved instrumental in promoting communication and resolving early tensions regarding decision-making authority.

The iterative nature of the workshops mirrored the adaptive principles central to the AIP approach. Feedback captured in the AIP Implementation Journal informed small but meaningful revisions to the Subscription Toolkit and future training materials, demonstrating how action research can generate immediate organizational value while contributing to scholarly understanding of change processes.

Data Analysis

Data were analyzed using Braun and Clarke's (2013, 2022) 6-step framework for reflexive thematic analysis. This process involved (a) familiarization with the data, (b) initial coding, (c) theme development, (d) theme review, (e) definition and naming of themes, and (f) final synthesis and reporting. Data sources included interview transcripts, organizational documents, and entries from the AIP Implementation Journal, which were used collectively to ensure depth and triangulation.

During the familiarization and coding stages, statements and observations were coded for recurring patterns related to leadership, communication, readiness, and resistance. Codes were reviewed and refined through iterative comparison across data sources to ensure internal consistency and conceptual clarity. Themes were then organized to reflect the guiding questions of the study, focusing on how leadership engagement and communication strategies influenced adoption of the subscription model.

Reflexivity was maintained through continuous journaling throughout the data collection and analysis process. The AIP Implementation Journal captured researcher observations and decision trails to minimize bias and strengthen confirmability. Two major themes emerged from the analysis: strategic leadership engagement and clarifying communication for adoption. Each theme represented distinct but complementary aspects of the change process, illustrating how leadership behaviors and communication practices jointly influenced stakeholder alignment and successful transition. Table 4 presents a codebook excerpt illustrating how entries from the AIP Implementation Journal were organized into analytic codes reflecting leadership, communication, and readiness themes.

Table 4

Sample Codebook from the AIP Implementation Journal

AIP Implementation Journal Entry Description	Codes
Leadership participated in all of the workshops	Leadership Involvement, Commitment, Communication Effectiveness
PM resisted the change due to their abnormal attendance; the PM felt displaced	Resistance Encountered, Feedback Loops, Adaptability
Participants found training materials clarified roles, but one participant was unsure of the next steps in the training	Goal, Clarity, Participant Engagement, Communication Effectiveness
Leadership committed to quarterly reviews of KPIs and policy revisions for sustainability	Follow-through, Sustainability, Plans, Visibility, Accountability
Day 1 AM: Workshop on strategic SOW to subscription transition and leadership alignment	Organizational Structure, Leadership Involvement, Strategic Plan, Clarity
Day 1 PM: Workshop defined step-by-step subscription workflow and role tasks	Workflow, Clarity, Participant Engagement, Resources, Availability
Day 2 AM: Leadership alignment continued; clarity on responsibilities and toolkit inputs were captured	Commitment Action, Toolkit, Feedback, Role Definition
Day 2 PM: Workshop on measuring success; success metrics and indicators defined collaboratively	Success Metrics, Sustainability, Plans, Stakeholder Engagement

Interviews

Semistructured interviews were conducted to capture participant perspectives following completion of the workshop series. The purpose was to document how the intervention influenced understanding, communication, and readiness for the subscription-based model. Interviews focused on the guiding questions and provided rich contextual data to supplement the AIP Implementation Journal.

Braun and Clarke's (2013, 2022) framework guided the analytic process. The early stages of analysis involved open coding of interview transcripts to identify key statements and recurring themes. Later stages included comparing codes across interviews and with the AIP Implementation Journal to refine categories and strengthen validity through cross-source triangulation.

Participants described challenges such as role clarity, leadership alignment, and the practical application of the Subscription Toolkit. One noted that the toolkit "didn't always make sense to everyone," emphasizing the need to translate technical concepts into language that is client-friendly. Another reflected that "strategic buy-in was inconsistent," identifying the importance of visible leadership support. These statements, along with similar reflections, informed the development of final themes related to communication clarity and leadership engagement.

Table 5 presents excerpts from the raw interview data and corresponding initial codes, demonstrating how the analysis progressed from descriptive to thematic levels.

Table 5

Interviews Raw Data Collection of Participants

Participant	Data Statement	Initial Codes
P3	"The toolkit didn't always make sense to everyone. I had to spend extra time explaining it in client terms."	Toolkit implementation and clarity Need to speak client's language
P2	"We had to adjust our messaging; clients weren't clear on what the toolkit actually delivered.	Toolkit implementation and clarity Unclear toolkit benefits Iterative refinement
P1	"I wasn't sure at first what the real impact would be, but as we got into it, I saw how it could shift how we do business."	Perceived value and adoption readiness- Early-stage adoption uncertainty- Subscription profitability
P3	"It's hard to lead when you can't make the final call."	Collaboration and performance impact
P2	"Execution was fine, but the strategic buy-in was inconsistent. That's where leadership needed to step in."	Role-based decision Making limitations Execution vs strategy
P3	"It was the first time our roles were this aligned; each of us knew what to expect."	Collaboration and performance impact
P1	"Some resistance came from those not used to change. They didn't want to adapt."	Collaboration and performance impact Performance hindered by resistance

Table 6 presents a sample of the combined codebook, highlighting the thematic relationships and insights derived from the data.

Table 6

Sample Combined Codebook

Code Name	Definition	Example Quote	Data Source
Client pricing hesitation	Clients are uncertain about pricing without hour-by-hour breakdowns.	Customers want to see what they're paying per hour.	Interview Transcript
Reduced Consultant stress	Team members noted less stress and improved structured.	They actually are less stressed than before...	Interview Transcript
Leadership engagement increased	Leadership increased visibility and support over time.	Leadership began to lean in and reinforce the direction.	Applied Implementation Journal

Cross-Source Data Analysis

Data from interviews, the AIP Implementation Journal, and organizational documents were analyzed together to identify converging and diverging perspectives on leadership, communication, and readiness for change. Each text segment that reflected participant perceptions or observable behaviors was labeled descriptively, then reviewed to establish cross-source consistency. For example, comments emphasizing leadership visibility and commitment were coded as strategic leadership engagement, while statements related to communication clarity and role definition were coded as clarifying communication for adoption.

Codes were then compared with the guiding questions to confirm alignment with the project's objectives and to ensure analytic coherence. The process emphasized reflexivity and traceability between data and interpretation, allowing for a transparent link from initial coding to the final generation of themes.

Two overarching themes were finalized: strategic leadership engagement and clarifying communication for adoption. The first theme described how leadership involvement shaped readiness and accountability throughout the transition. The second theme captured how communication practices, feedback mechanisms, and emotional buy-in influenced understanding and adoption of the subscription model.

This iterative process confirmed the relevance of the emerging themes to the guiding questions and established a clear connection between the raw data and the interpretive findings. Table 7 presents a summary of the reflexive thematic analysis, outlining how codes from all data sources were refined into the final themes.

Table 7

Reflexive Thematic Analysis Table on Development of Themes

Theme	Related Codes	Description
Strategic Leadership Engagement	Leadership Commitment	References to the dedication and involvement of leaders in the implementation process.
	Stakeholder Involvement	Insights regarding the engagement of various stakeholders in the project.
	Vision Alignment	Mentions of how the project aligns with the organizational vision and strategic objectives.
	Resource Allocation	Comments on the distribution of resources necessary for successful project implementation.
Clarifying Communication for Adoption	Clear Messaging	Instances where the importance of clear and consistent communication was highlighted.
	Feedback Mechanisms	References to systems in place for gathering and addressing feedback from participants.
	Training and Support	Insights on the training provided to staff and stakeholders to ensure effective adoption of changes.
	Engagement Strategies	Strategies discussed for maintaining engagement and interest among stakeholders throughout the process.

A key insight from this analysis was that establishing clear and consistent guidelines helps set expectations, improve understanding, and align stakeholder efforts. When clarity and structure were present, participants demonstrated stronger engagement and more confident adoption of the new workflow. These findings highlight how leadership behaviors and communication practices interact to create the conditions necessary for organizational alignment and change success.

Final Themes

Following the cross-source analysis, final themes were refined and defined through iterative review of codes and supporting data. This step clarified the conceptual boundaries between themes and ensured each reflected a distinct dimension of the transition process. *Strategic leadership engagement* captured the behaviors and decisions that shaped organizational alignment, while *clarifying communication for adoption* described how messaging, feedback, and emotional connection influenced readiness for change.

Table 8 summarizes the defining characteristics of each theme and provides concise descriptions used in the interpretation of the results. Figure 2 illustrates how the implementation phase contributed to shared understanding and direction within the change management process.

Table 8

Defining and Naming Themes

Key Components	Definition	Theme
Leadership alignment; Role modeling	This theme emphasizes the active involvement and alignment of leadership in driving organizational change. Strong leadership support fosters a unified vision and encourages team commitment.	Strategic leadership engagement
Emotional buy-in; Clarity in messaging; Opportunities for feedback	This theme highlights the importance of clear and effective communication in facilitating the adoption of new processes or tools. Ensuring that all stakeholders understand the changes enhances engagement and reduces resistance.	Clarifying communication for adoption

Figure 2
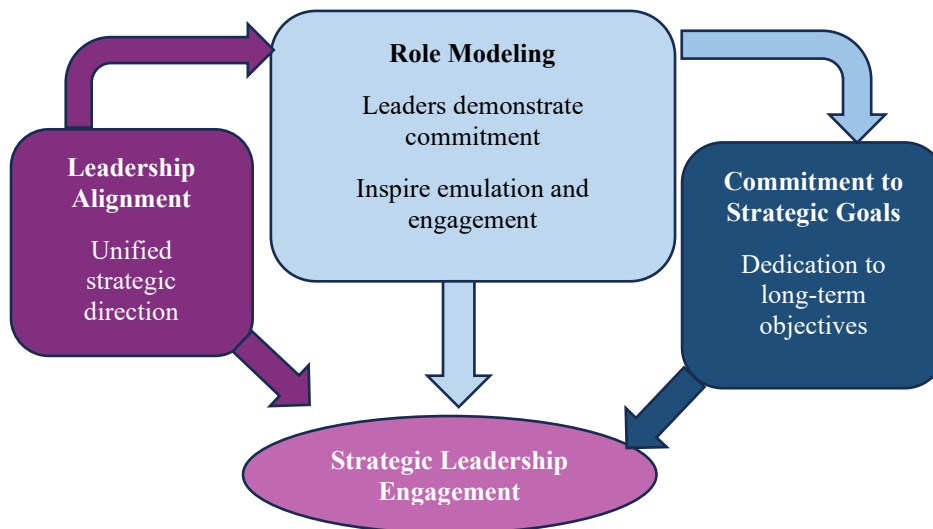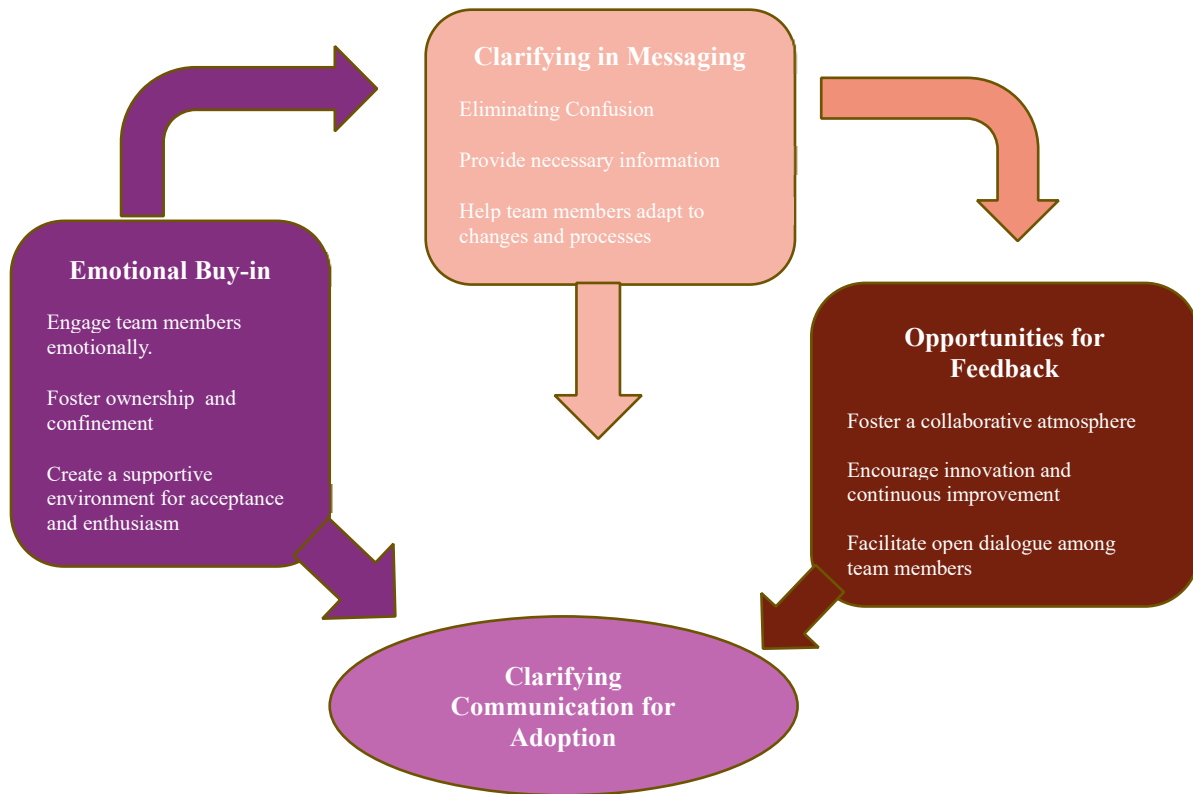
Theme of Strategic Leadership Engagement

Figure 3

Theme of Clarifying Communication for Adoption

Evaluation

The evaluation phase focused on determining the effectiveness of the workshops and overall intervention in preparing the organization for transition to the subscription model. Success was assessed by examining changes in participant understanding, alignment, and readiness that emerged from workshop feedback, interviews, and journal entries. Evidence of progress included greater leadership cohesion, improved clarity of communication, and increased participant confidence in describing and implementing the new workflow.

Data from post-workshop reflections indicated that participants developed a more consistent understanding of the subscription model's structure and value proposition. The collaborative design of the workshops encouraged open dialogue, allowing the CEO, PM, and consultant to collectively identify challenges and adapt communication strategies in real-time. This engagement reflected the AIP goal of fostering both learning and applied improvement through iterative feedback.

Although the implementation produced measurable advances in readiness and alignment, opportunities for continued improvement remained. Participants identified the need for ongoing communication, periodic evaluation of the Subscription Toolkit's usability, and reinforcement of leadership support during full rollout. The evaluation confirmed that the applied intervention generated meaningful change, while also revealing areas that require sustained attention to ensure long-term adoption.

Results

The AIP project revealed several key findings regarding the transition from a traditional SOW model to a subscription-based payment platform. These findings included the following best practices and recommendations:

- Provide strong leadership with active communication of the change vision to a new subscription model to ensure a more successful implementation with stakeholder buy-in.
- Assess participants' preparedness for the new workflow and utilize tools to measure readiness to gauge the need for levels of training.
- Offer comprehensive training workshops tailored to specific roles, assessed needs, and effective engagement strategies for overcoming resistance to change by explaining the value-add of the new model.
- Overcome resistance from sales representatives due to unfamiliarity with the subscription model using ongoing support and communication.
- Partner with knowledgeable external consultants with SOW-to-subscription expertise.
- Use change agents willing to use the journaling process to establish real-time monitoring of the change.
- Establish ongoing feedback channels to facilitate real-time adjustments and improvements.

The findings underscored the importance of leadership, assessment and training, stakeholder engagement, and continuous feedback in the transition process. These findings led to specific practical business applications to assist others facing similar circumstances.

Practical Applications and Implications

The findings from this AIP generated both operational and leadership insights that extend beyond the immediate context of the intervention. The outcomes highlight how structured, participatory methods can strengthen readiness for change while simultaneously serving as a diagnostic tool for leadership development.

Organizational Learning and Sustainability

The findings were implemented as a structured process stream that served as both an operational improvement initiative and a catalyst for cultural transformation within the organization. The 2-day workshop series provided a collaborative environment where participants translated theoretical concepts into actionable strategies through discussion, reflection, and problem-solving. This process enhanced participants' ability to communicate effectively with clients and colleagues, increasing their confidence in managing subscription-based services. The emphasis on clarity, personalized engagement, and iterative feedback proved to be key drivers of adoption. The AIP Implementation Journal served as an ongoing feedback mechanism, supporting reflection, adaptation, and continuous learning. Based on these outcomes, journaling should be considered a strategic requirement for change professionals facilitating SOW-to-subscription transitions.

Leadership Implications and CEO Growth

A significant outcome of the project was the professional and strategic growth of the CEO. The transition from a rigid payment structure to a flexible, tier-based model with blended rates and optional à la carte services positioned the organization to address diverse client needs and enhance its overall value proposition. Through engagement in the structured change process, the CEO gained deeper awareness of the organization's culture, including areas of misalignment that required immediate attention. One such insight involved the project manager's differing expectations for involvement, which the CEO recognized as a barrier to effective collaboration. The AIP also revealed operational vulnerabilities that became more visible during implementation. The CEO's decision to restructure, combined with subsequent personnel changes, raised important questions about the sustainability of newly implemented strategies. These outcomes demonstrate how applied improvement initiatives can function as both learning environments and diagnostic tools for leadership development and cultural renewal.

Recommendations for Further Research

Future research could analyze how cultural tensions influence the success of organizational transitions such as the shift from SOW models to subscription-based systems. In particular, understanding how leaders recognize and address these tensions could clarify the relationship between communication strategies, employee engagement, and long-term adoption outcomes. Longitudinal studies that follow organizations through pre-implementation, rollout, and post-adoption phases would provide valuable insights into how readiness, training, and leadership involvement change over time.

Further inquiry may also assess how journaling and other reflective tools contribute to cultural alignment and continuous improvement. Comparative studies across industries could explore whether these mechanisms produce similar outcomes in different organizational contexts. Future research should also investigate how leaders' personal growth, such as the CEO development observed in this AIP, influences collective readiness and adaptability during change. In addition, examining how customers perceive value, flexibility, and fatigue in subscription-based services would help organizations strike a balance between profitability and genuine client satisfaction, similar to that which was reported by Kowalkowski and Ulaga (2024). Exploring these areas will deepen understanding of how leadership, communication, culture, and customer experience interact to sustain meaningful organizational transformation.

Conclusion

The transition from an SOW model to a subscription-based payment structure represents a significant organizational shift that requires changes in mindset, leadership behavior, and communication culture. This AIP showed that leadership alignment, readiness assessment, and structured communication are interdependent drivers of successful adoption. The workshops fostered learning and reflection, helping participants recognize and manage the cultural tensions that often surface during major change. Addressing these tensions early strengthened trust, clarified roles, and reinforced a shared vision for the new model.

The project advanced both operational and leadership outcomes, supporting the CEO's growth and improving the organization's capacity to adapt. Together, the findings present a replicable process for guiding payment-model transitions and broader organizational change. Sustained success will depend on leaders' ability to remain responsive to both internal dynamics and customer expectations as subscription-based services continue to evolve. The project demonstrates that meaningful transformation occurs when leaders use the process to translate strategy into a shared understanding, rather than focusing solely on procedural compliance.

References

Ahmad, A. M. K., Abuhashesh, M., Obeidat, Z., & AlKhatib, M. J. (2020). E-WOM and airline e-ticket purchasing intention: Mediating effect of online passenger trust. *Management Science Letters, 10*(12), 2729–2740. https://doi.org/10.5267/j.msl.2020.4.037

Braun, V., & Clarke, V. (2013). Successful qualitative research: A practical guide for beginners. Sage.

Braun, V., & Clarke, V. (2022). Conceptual and design thinking for thematic analysis. *Qualitative Psychology, 9*(1), 3–26. https://doi.org/10.1037/qup0000196

Freed, L., Bishop, L., Gregory, D., Manvaditya, Kolachina, V., Shteynberg, E., Sultana, F., Zhang, D., & Bhalala, D. (2022). Implications of the subscription economy. *Global Investigator Network,* 1–25. http://dx.doi.org/10.2139/ssrn.3998519

He, Z., Wang, H., Hu, Y., Hu, Y., & Ma, X. (2024). Dynamic analysis and optimal control of knowledge diffusion model in regional innovation ecosystem under digitalization. *Scientific Report,* 14, 13124 (2024). https://doi.org/10.1038/s41598-024-63634-3

Klopčič, A. L., Hojnik, J., Bojnec, S., & Papler, D. (2020). Global transition to the subscription economy: Literature review on business model changes in the media landscape. *Managing Global Transitions, 18*(4), 323–348. https://doi.org/10.26493/1854-6935.18.323-348

Kotter, J. (1996). 8 Steps to leading change eBook. https://www.kotterinc.com/8-steps-e-book-download/

Kowalkowski, C., & Ulaga, W. (2024). Subscription offers in business-to-business markets: Conventionalization, taxonomy, and framework for growth. *Industrial Marketing Management.* https://doi.org/10Imp.1016/j.indmarman.2024.01.014

Maxwell, J. A. (2012). Qualitative research design: An interactive approach (3rd ed.). Sage.

Parvin, A. J., Jr., Beruvides, M. G., & Tercero-Gòmez, V. G. (2022). In situ technological innovation diffusion rate accuracy assessment. *Systems, 10*(2), Article 25. https://doi.org/10.3390/systems10020025

Riesener, M., Doelle, C., Ebi, M., & Perau, S. (2020). Methodology for the implementation of subscription models in machinery and plant engineering. *Procedia CIRP, 90,* 730–735. https://doi.org/10.1016/j.procir.2020.01.131

Rogers, E. M. (2003). *Diffusion of Innovation* (5th ed.). Free Press.

Salminen, J., Jansen, B. J., & Mustak, M. (2023). How feature changes of a dominant ad platform shape advertisers' human agency. *Journal of Electronic Commerce, 27*(1), 3–35. https://doi.org/10.1080/10864415.2022.2158594

Schein, E. H. (2010). *Organizational Culture and Leadership* (3rd Ed). Jossey-Bass. https://agustinazubair.wordpress.com/wp-content/uploads/2013/04/13-organizational_culture_and_leadership_3rd_edition-p-4581.pdf

Subedi, M. (2023). Sampling and trustworthiness issues in qualitative research. *Dhaulagiri Journal of Sociology and Anthropology, 17*, 61–64. https://doi.org/10.3126/dsaj.v17i01.61146

Weland, C., Lindstrom, J., Vishkaei, B. M., & De Giovanni, P. (2024). Subscription-based business models in the context of tech firms: Theory and applications. *International Journal of Industrial Engineering and Operations Management, 6*(2), 256–274. https://doi.org/10.1108/IJIEOM-06-2023-0054

Xiong, B., Kuan-Lim, E. T., Tan, C.-W., Zhao, Z., & Yu, Y. (2022). Towards an evolutionary view of innovation diffusion in open innovation ecosystems. *Industrial Management & Data Systems, 122*(8), 1757–1786. https://doi.org/10.1108/IMDS-11-2021-0686