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WHITEPAPER

Why ERP Programs Need More Than Just a Traditional PMO

ERP has always been the backbone of organizations. But with the shift to SaaS, many companies are now being pushed to rethink and upgrade their ERP systems. This isn't just a tech change, it's a full business transformation across Finance, HR, Procurement, and Supply Chain.

Real transformation means changing how work actually gets done. Processes need to be redesigned, and they must stay closely aligned with the ERP solution. That takes strong coordination between business teams, IT, and vendors; something that's often easier said than done.

In the Middle East, transformation is moving fast, but many programs still struggle. Decision-making is unclear, ownership is split, SMEs are stretched thin, and vendors end up driving too much of the work. The result? Misalignment, delays, and missed value.

This is where the PMO makes the difference. A strong, cross-functional PMO doesn't just track tasks, it connects teams, aligns process with technology, and keeps decisions moving. It acts as the glue that holds the transformation together.

When done right, the PMO turns ERP transformation from a messy journey into something far more controlled, predictable, and valuable.

The ERP Transformation Challenge in the Middle East

Despite billions of dollars of regional investment, ERP programs across the Middle East continue to under-deliver — not because the technology isn't strong, but because execution is constrained by unclear ownership, governance complexity, SME availability, and vendor-dependency.

Ambition Is High — but Foundations Are Still Catching Up

GCC governments are aggressively modernizing their public and private sector digital capabilities. National programs such as Saudi Vision 2030, We the UAE 2031, and Qatar National Vision 2030 emphasize AI adoption, cloud migration, and digitally integrated government services, strengthening the need for modern ERP platforms to unify and automate core business processes.

This ambition is backed by rising investment. IT and digital infrastructure spending in the region continues to grow sharply, with major public-sector programs accelerating cloud, cybersecurity, and advanced analytics adoption to meet economic diversification targets.

Execution Complexity Is Higher Than in Many Global Markets

ERP initiatives in the Middle East operate under unique regional conditions that amplify delivery complexity:

- Compressed timelines driven by strategic and political deadlines, increasing pressure on design, data, and change activities.
- Highly loaded transformation portfolios, where ERP programs run alongside cloud modernization, AI pilots, cybersecurity uplift, and operating model reforms — all competing for the same scarce expertise.
- Multi site, multilingual, and culturally diverse workforces, adding complexity to process standardization and frontline adoption.
- CIO insights from across the region highlight challenges around regulatory drivers, cloud deployment strategy, and cross functional ownership, further intensifying ERP delivery risk.

The Dual Challenge: Process Change and Platform Change

A. Changing Business Processes

Redesigning and standardizing business processes is inherently difficult. ERP transformations require organizations to change long-established ways of working, decision paths, and role ownership. Business users are often deeply accustomed to existing processes, screens, and workarounds, making adoption of standardized "to-be" processes as challenging as the system implementation itself.

B. Changing Legacy Technology Platforms

Legacy ERP platforms are typically built on tightly coupled, highly customized architectures that do not transition easily to cloud-based, standardized solutions. Moving to modern SaaS ERP requires not only technical migration but also letting go of historical customizations and accepting new operating constraints — a shift that many organizations struggle to execute at pace.

While organizations are increasingly eager to adopt AI and Agentic AI capabilities to improve efficiency and enable more intelligent, data-driven decision-making, the reality of ERP environments presents significant challenges. These systems are often highly customized and complex, meaning not all processes are suitable for automation or autonomous execution. While RPA has been widely adopted for rule-based automation, the shift toward more advanced AI-driven capabilities introduces additional layers of complexity. In many cases, AI-generated recommendations still require significant human validation and decision-making, which can slow down rather than simplify processes when governance and accountability are not clearly defined. Additionally, in many regional contexts, client organizations may not yet have the maturity required to effectively leverage these capabilities at scale.

Governance, Ownership, and Capacity Are Persistent Bottlenecks

Three structural constraints appear repeatedly across ERP programs in the Middle East:

A. Fragmented and Slow Decision Making

Readiness assessments across regional enterprises show that 91% of business leaders struggle to keep pace with rapid technological advancements, largely due to unclear governance pathways, complex oversight structures, and repeated escalations.

B. SME Capacity as the True Limiting Factor

ERP delivery relies heavily on business SMEs in Finance, Supply Chain, HR, and Operations — but these SMEs are simultaneously responsible for day to day operations and other transformation initiatives. Capacity shortages become the dominant risk factor, regardless of budget or vendor capacity.

C. Over Reliance on Systems Integrators (SIs)

Many organizations rely too heavily on SIs, who often focus on system configuration rather than end-to-end business processes. This leads to automating broken processes instead of fixing them, which is one of the key reasons ERP programs fail.

At the same time, cost-driven decisions, such as choosing the lowest-cost SI, further increases risk. Short term savings often result in poor design, delays, and weak adoption.

Strong business ownership (not SI-led delivery) is always critical for success.

Cultural and Adoption Realities Amplify Delivery Challenges

Cultural norms within regional enterprises play a significant role in ERP outcomes.

Studies show recurring patterns that delay ERP implementation, including:

- hierarchical authority structures,
- reluctance to challenge decisions or raise risks,
- limited digital literacy in some parts of the workforce, and
- inconsistent commitment to training and capability development.

These cultural barriers have been shown to contribute directly to ERP delays and rework cycles, particularly in asset-heavy sectors such as oil and gas.

In addition, multi-lingual workforces and geographically distributed field teams require tailored, localized change support, making adoption considerably more complex than in more homogenous markets.

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Where ERP Transformations Go Off Track

ERP programs in the Middle East often encounter delivery challenges that slow progress, increase rework, and dilute value. These challenges stem not from system capability, but from operating model, decision-making, and ownership gaps that undermine execution.

Slow Decision Making Due to Unclear Decision Rights

ERP delivery depends on rapid cross-functional decisions across design, data, process, and change. However, in many organizations, decision pathways are not explicitly defined, resulting in repeated escalations and stalled progress.

Readiness assessments across regional enterprises highlight that 91% of leaders struggle to keep pace with transformation demands due to governance complexity and unclear ownership.

Large-scale Middle East programs frequently experience slowdowns because authority structures do not match real decision flows, creating “escalation by default” patterns

Fragmented Ownership Across Functions

ERP transformation depends on clear, end-to-end ownership of business processes that span multiple functions such as Finance, HR, Procurement, Operations, and IT. In practice, ownership is often fragmented across functional boundaries, with no single authority accountable for defining, standardizing, and sustaining integrated processes.

This fragmentation leads to inconsistent design decisions, prolonged debates over responsibilities, and delayed agreement on critical operating changes. Where accountability is unclear, decisions are deferred or escalated, slowing progress and increasing rework. Over time, this vacuum is frequently filled by system integrators, who are forced to interpret business intent and bridge gaps between functions—diluting internal ownership and weakening long-term capability. As a result, ERP programs struggle to achieve true process standardization and business alignment.

Vendor Led Delivery Without Internal Ownership

System integrators (SIs) provide essential delivery capacity, but ERP success requires internal ownership of design decisions, backlog prioritization, and value outcomes.

CIO interviews across the region show that many organizations are unclear whether the SI or the business owns the transformation, resulting in weak internal capability and dependency on external consultants.

This lack of business ownership frequently leads to shallow knowledge transfer and difficulty sustaining the solution after go live.

Governance That Reports Rather Than Resolves Issues

Traditional governance in the region emphasizes reporting (status updates, slide reviews, RAG indicators) rather than real-time problem-solving.

Governance assessments across Middle East government programs highlight fragmented information, slow communication, and unclear accountability, leading to delays in resolving cross-functional issues.

As a result, governance bodies often observe issues rather than unblocking them, slowing the pace of configuration, testing, and data readiness.

Why Traditional PMOs Fail Under Modern ERP Demands

Traditional PMOs were designed for administrative oversight and reporting—not enterprise-wide transformation. Modern ERP programs demand integrated decision-making, SME capacity orchestration, and outcome-driven delivery across functions, exposing fundamental limitations in legacy PMO models.

- **Activity-Based Tracking Instead of Outcome-Based Delivery**

Traditional PMOs prioritize task completion and status reporting over business outcomes, process readiness, and user adoption. Governance structures across the region are often heavy on reporting cadence but light on execution impact.

- **Inability to Orchestrate Cross-Functional Decisions**

ERP decisions span Finance, HR, IT, Operations, and Supply Chain. Legacy PMOs typically lack the mandate, structure, or authority to coordinate integrated, end-to-end decision-making across these domains.

- **Limited Authority to Resolve Issues**

Rather than unblocking delivery, traditional PMOs rely on escalation paths that reinforce slow, hierarchical decision models, thereby delaying resolution and compounding execution risks.

- **Lack of SME Capacity Management**

Readiness assessments consistently show that capacity — not budget — is the primary constraint in transformation execution. Traditional PMOs do not model or protect SME availability, resulting in delays and rework.

- **Vendors Owning Delivery Instead of the Business**

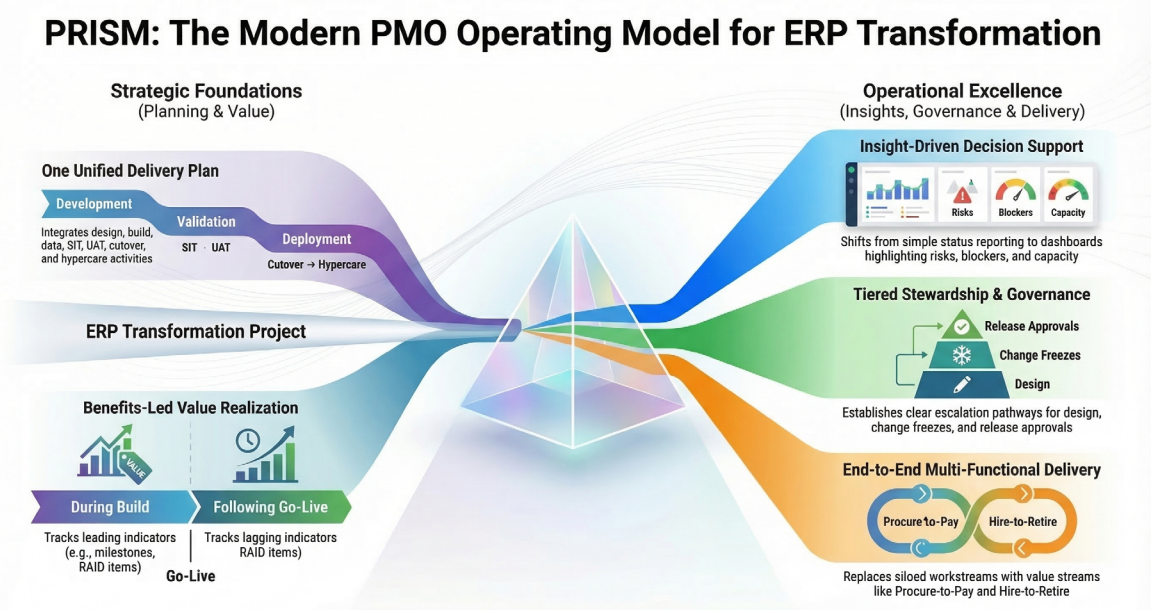
In the absence of strong internal coordination and ownership, system integrators often assume de facto control over delivery and decision-making. This dependency weakens long-term sustainability and erodes business ownership after go-live.

What we believe works

The ERP Transformation PMO Operating Model – PRISM

The PRISM Model (recommended) provides a structured, insight-driven approach to ERP transformation, combining integrated planning, strong governance, and cross-functional delivery. It positions the PMO as a strategic enabler focused on driving business outcomes, value realization, and informed decision-making across the program lifecycle.

Importantly, the model is designed to be practical and adaptable—whether an organization is establishing a PMO for the first time or evolving a mature function. It provides a clear, scalable foundation that can strengthen existing capabilities or build new ones, enabling organizations at any stage of PMO maturity to bring greater alignment, control, and consistency to complex transformation programs.



P Planning (Integrated)

- One unified ERP delivery plan (design → build → data → SIT → UAT → cutover → hypercare)
- PMO as the integrator across SI, vendors, and business teams
- Strong dependency management across all phases and stakeholders

R Realization (Value)

- Outcome ownership across Finance, Supply Chain, HR, and Operations
- Embed benefits tracking within PMO responsibilities
- Track leading indicators (build phase) and lagging indicators (post go-live)

I Insights (Data-Driven PMO)

- Shift from status reporting to insight-driven decision support
- Simplified dashboards highlighting risks, blockers, and capacity constraints
- Enable proactive decision-making through actionable reporting
- Introduction of AI and Agentic AI-enabled insights for predictive risk identification, trend analysis, and early warning signals, while maintaining human validation and governance

S Stewardship (Governance)

- Tiered decision governance (functional design, cross-process design, change freeze, release approvals)
- Clear escalation pathways to ensure timely resolution
- Strong control framework to protect scope, quality, and timelines

M Multi-Functional Delivery

- Transition from siloed workstreams to end-to-end value streams (e.g., Procure-to-Pay, Hire-to-Retire)
- Cross-functional collaboration and accountability
- Align teams to business outcomes rather than functional silos
- Selective use of AI and automation across value streams to enhance efficiency and support decision-making, where process maturity allows

Critical Enablers we suggest for a High Performing ERP PMO

These enablers ensure clear governance, effective stakeholder engagement, strong vendor alignment, and seamless adoption while driving efficient execution and sustained value realization

Decision Rights Built for Hierarchical Environments

Establish clear decision-making layers and delegation thresholds aligned to the organizational hierarchy. Empower program and functional leads to make timely decisions, minimizing unnecessary escalations while reserving leadership involvement for critical, high-impact matters.

Protect SME & Business Stakeholder Capacity

Define realistic SME availability that accounts for ongoing business responsibilities. Structure engagement through focused windows across key phases to ensure meaningful participation while avoiding stakeholder fatigue.

Vendor Ecosystem Management

Clearly distinguish system integrator accountability from internal ownership to ensure balanced delivery governance. Maintain a unified backlog across all teams and drive structured knowledge transfer to build internal capability over time.

Change, Adoption & Hypercare Model

Enable site-level champions to drive adoption at the ground level, supported by multilingual communication and training. Establish strong feedback loops to capture user insights and ensure rapid issue resolution during hypercare.

Case Study: Turning ERP Chaos into Controlled Execution

A large utilities company launched a $15M+ ERP transformation without a formal PMO, which resulted in fragmented planning, siloed teams, unclear ownership, and reactive governance. Decisions were slow, dependencies were missed, SMEs were overstretched, and the system integrator increasingly dictated delivery. The program was active, but not aligned.

To stabilize and transform execution, Argon & Co PMO team introduced the PRISM Model - a modern PMO approach. At its core, PRISM established a single, unified delivery plan, connecting all workstreams from design through hypercare, with the PMO acting as the central integrator across business, IT, and vendors. Clear ownership and outcome accountability were embedded across functions, shifting the focus from activity tracking to measurable business value.

Governance was redefined through structured decision layers and faster escalation pathways, enabling teams to resolve issues proactively within their authority rather than escalate them and prolong critical decisions. At the same time, data-driven insights

replaced static reporting, giving leadership real-time visibility into risks, dependencies, and capacity constraints.

Critically, the model broke down silos by aligning teams into end-to-end value streams and fostering strong cross-functional collaboration. The PMO evolved beyond governance into an enabling function, supporting teams, unblocking challenges, and driving transparent, multi-directional communication across all levels. This approach built trust, improved alignment, and created a shared sense of ownership across the program.

The result was a decisive shift: from a reactive, disjointed program to a cohesive, outcome driven transformation with clear accountability, faster decisions, and controlled execution.

The takeaway is simple: ERP programs don't fail due to technology, they fail due to lack of alignment, planning, and ownership.

The PRISM Model demonstrates how the right PMO can turn complexity into clarity and strategy into results.

Conclusion: What Leaders Must Do Now

ERP programs succeed when leadership creates clarity, ownership, and disciplined execution. To turn ambition into real delivery, organizations must:

- Establish accountable outcome owners.
- Define clear ERP decision rights and escalation paths.
- Stand up cross-functional delivery squads.
- Convert governance into a fast, issue-resolving decision engine.
- Track adoption and leading indicators early.

Ultimately, an ERP PMO is not a reporting function — it is a delivery capability. When designed intentionally, it becomes a repeatable organizational muscle that drives cross-functional alignment, accelerates decisions, and ensures the ERP transformation delivers sustained business value long after go-live.

Resources

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About Argon & Co

Argon & Co is a global management consultancy that specializes in operations strategy and transformation. With expertise spanning supply chain planning, manufacturing, logistics, procurement, finance, and shared services, we work together with clients to transform their businesses and generate real change. Our people are engaging to work with and trusted by clients to get the job done. We have 18 offices across Europe, Australasia, America, Asia and the Middle East.

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