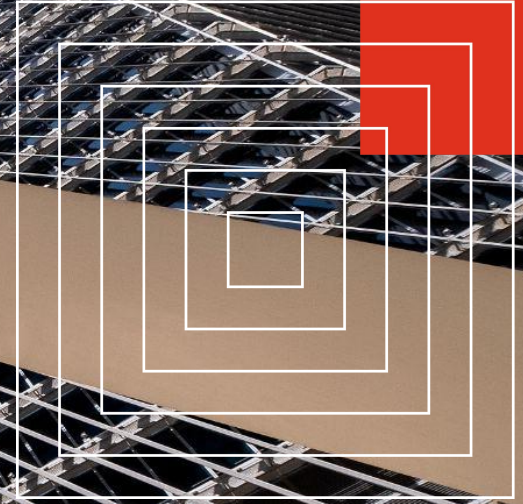




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Transformation and project management survey part 2

Strategies for building high-impact Transformation Offices

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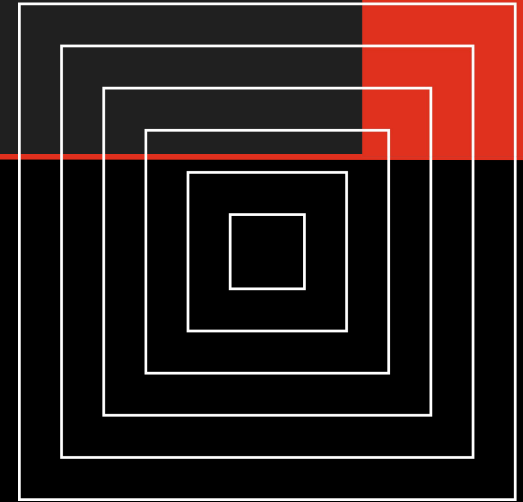
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Transformation is critical to build competitive advantage for organisations

PwC's 27th Annual CEO Survey: Middle East Findings¹ found that **48%** of Middle East CEOs don't think their organisations will be economically viable 10 years from now if they do not evolve, up from 35% last year. This indicates that transformation is top of mind of business leaders in the region, with 69% of CEOs indicating technological change and 63% citing changes in customer preference as critical factors shaping the creation, delivery, and capture of value over the next three years.

Transformation Offices (TOs) responsible for steering organisations through complex changes and external challenges are essential in driving organisational transformation success. They serve as catalysts for long-term value creation, with top-tier TOs actively facilitating improved revenue and customer growth.

Exploring advanced TO models offers valuable insights for organisations looking to build or enhance their own. However, TO design is an ongoing process, requiring organisations to continually evolve their models to maximise impact.

Our first report as part of the Transformation and Project Management series focused on value delivery in the Middle East, while in this report we explore human-led, tech-powered strategies that draw on lessons from the region's most mature TOs, offering insights to help organisations accelerate their TO maturity and cultivate a value-driven culture. Establishing robust processes for continuous improvement, leveraging agile digital solutions, and maintaining a people-centred approach are essential to building a positive, collaborative working environment.

Key aspects covered in the report include:

- Integrating digital solutions
- Cultivating a positive work culture





The journey towards the maturity of the Transformation Office is a continuous learning process, with technology acting as a critical accelerator. Our research ² shows that top-tier TOs lead in this area, leveraging a broader suite of tools to enhance value delivery.

Figure 1: The top-tier - early adopters of technology to drive increased value from projects

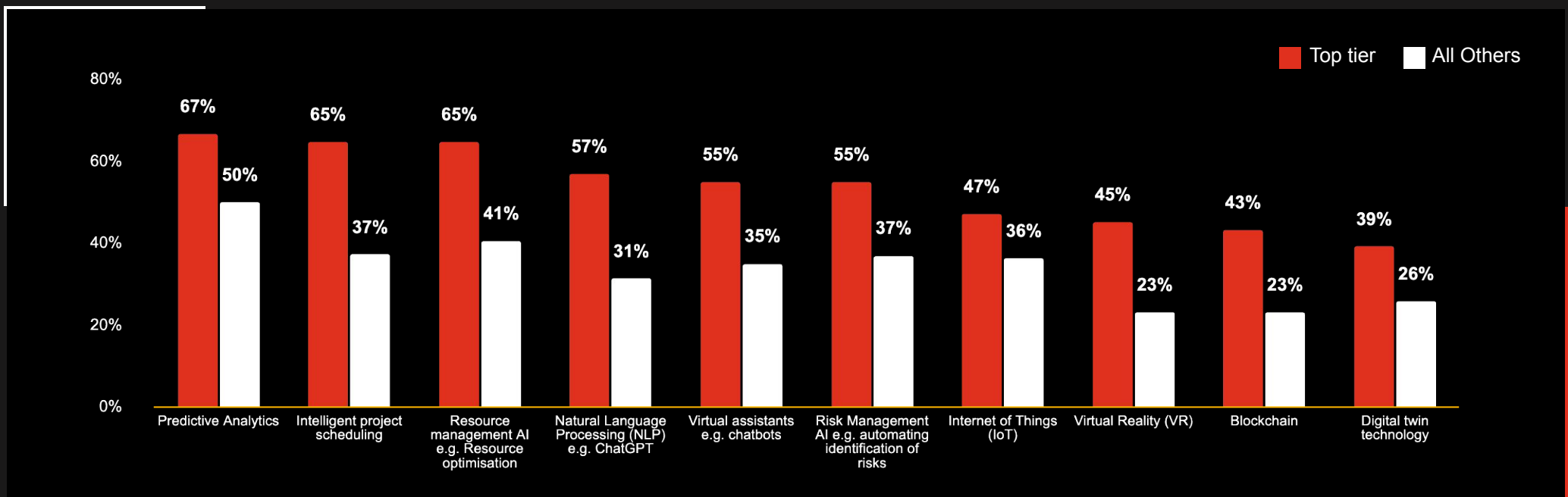


Figure 1 shows that - across all technologies included in our survey - The top-tier are more likely to use tech-enabled approaches. In particular, they prioritise the use of predictive analytics, intelligent project scheduling and AI - used by around two-thirds. By integrating technological solutions across the delivery process, organisations can effectively monitor value delivery and empower the TO to maximise value in the following areas.

Automation empowering the transformation practitioner

Tech-enabled automation allows organisations to react quickly to risks and changes in the delivery environment, while freeing up transformation practitioners to focus on value delivery. By leveraging technology to streamline projects, transformation practitioners can focus on understanding critical organisation goals, building cross-functional relationships and contributing to key strategic outcomes.

To thrive in this value-driven environment, modern transformation practitioners need to combine technical expertise with strong communication and leadership skills. The most mature TOs recognise this need, prioritising digital fluency and interpersonal skills in project and TO staff.

Figure 2: Top-tier TOs are human-led and tech-powered

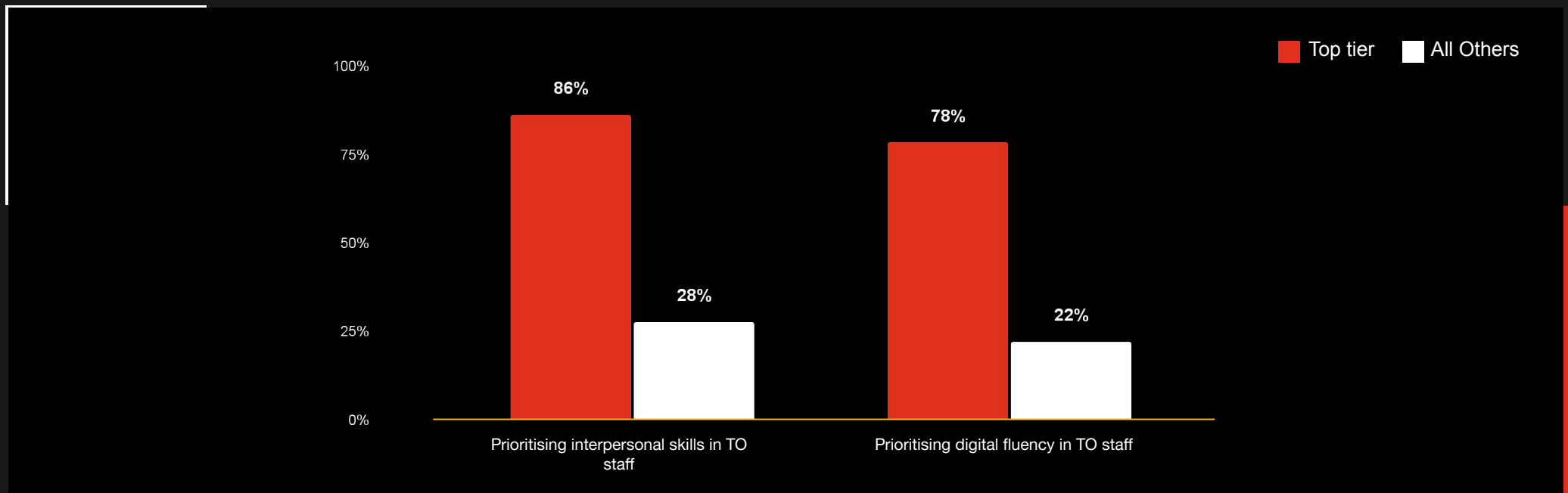


Figure 2 shows that - top-tier TOs prioritise interpersonal skills and digital fluency 'all of the time'. Developing these vital skills requires investment from the organisation.

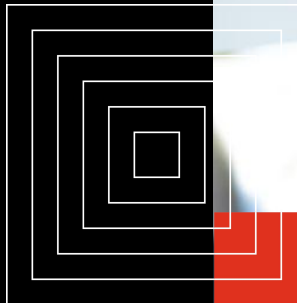
Automation empowering the transformation practitioner

82%



Of top-tier organisations strongly prioritise providing transformation practitioners with the time and resources for upskilling and acquiring new skills, compared to only **19%** of all other organisations.

Source: PwC Middle East transformation & project management survey 2023



AI-enhanced value delivery

The use of Artificial Intelligence (AI) to capture and create more value from projects is a key opportunity for organisations in the region. Optimism about the potential of AI in the region is high, with 73% of Middle East CEOs believing AI will significantly change the way their company delivers value in the next three years. Additionally, six in 10 Middle East organisations expect AI adoption to increase revenue and profitability in the next 12 months³. The potential of AI to create more value from transformations is further evidenced by its application among top-tier TOs. Top-tier TOs are more likely to be using resource management AI to streamline resource allocation for organisations to bolster the efficiency of project delivery, as well as using risk management AI to automate the identification of risks (Figure 3). The ability for AI applications to analyse vast amounts of data enables early identification of potential risks and resource inefficiencies at a much earlier stage than traditional methods. This proactive approach empowers TO to take preemptive measures, ensuring continued delivery of value.

Figure 3: Top-tier TOs are more likely to be using AI to enhance value delivery

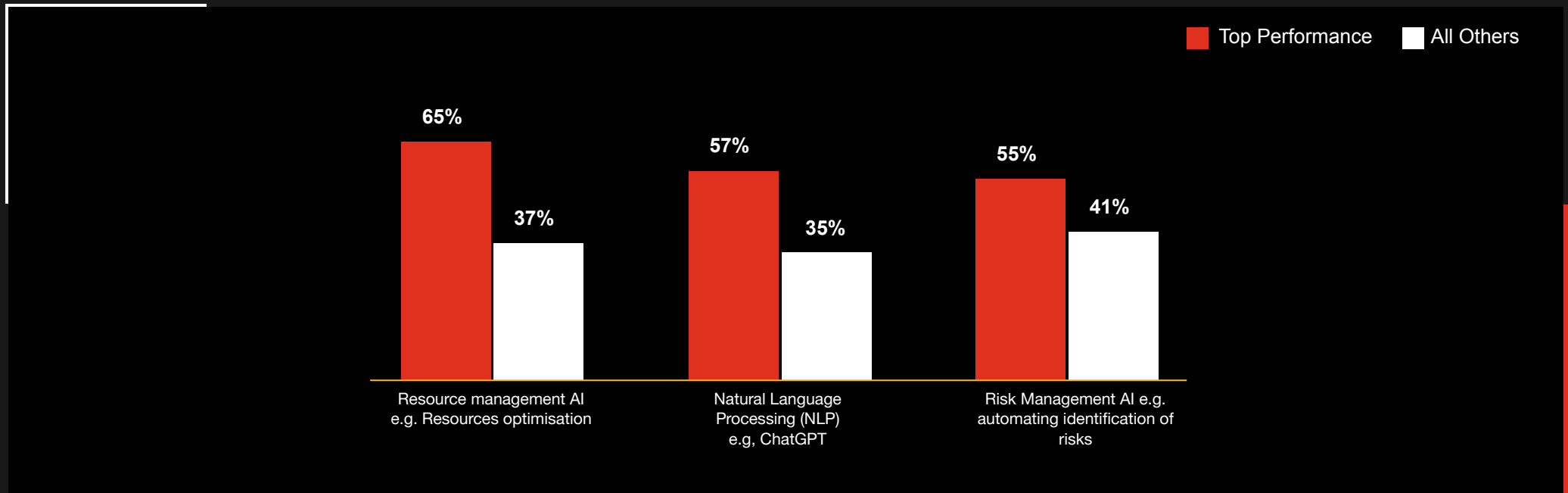


Figure 3 shows the implementation of various AI technologies by top-tier TOs compared to all other organisations.

Improving accessibility and visualisation of data

To enable this, project data and KPIs need to be visualised and collated to provide a single source of truth, for example, through the use of dashboards. The TO has an important role in the design and sharing of these dashboards to ensure they provide the right insight to the right people. This includes helping cross-functional teams and departments understand how to leverage these insights to enhance their value delivery, such as understanding how to benchmark their performance against targeted outcomes. The ultimate goal is to develop teams that can self-serve, boosting efficiency and productivity.



84%

of the top-tier TOs strongly agree they use a data-driven approach when making decisions and during project prioritisation, compared to just **28%** of others.

Source: PwC Middle East transformation & project management survey 2023



Technology-enabled strategic alignment

Technological solutions provide the foundation for robust, evidence-based strategy development. A key differentiator between the top-tier and others is their ability to track how the value delivered by projects aligns with organisational strategy. Our analysis shows that among the top-tier, 90% 'strongly agree' that their transformation practitioners do this, compared to just 27% of all others.

Our discussions with leaders of some of the most advanced project management offices in the region have revealed how they leverage technology to align value delivery with organisational strategy. We've heard how the Enterprise Project Management Office (ePMO) plays a vital role, employing digital tools and strategies to enhance project delivery and align with the overall strategic objectives.

Some examples of impactful tech-enabled approaches used are:

Smart complexity calculator

01

Automated through the project management information system (PMIS), the calculator can classify projects into three categories: simple, semi-complex, and complex. During the project initiation phase, projects can then be assessed based on specific criteria using the calculator. This classification helps guide the implementation of project management practices, gate reviews, and the subsequent management roles for each project, ensuring a customised approach that aligns with the project's complexity level and establishing a tailored and clear model.



Portfolio prioritisation model

02

This model is designed to provide a comprehensive evaluation of project priorities, optimising return on investment, managing risk, and promoting diversification within the portfolio. It incorporates criteria that are quantitatively weighted using a relative pair comparison technique based on the input from the business cases. It includes financial analysis of the portfolio, and the ability to run what-if cost and resource scenarios to adjust limits and generate a prioritised project list. By employing this robust model, there is a thorough evaluation of project priorities, facilitating effective decision-making.



Smart benefits realisation framework

03

Facilitates the mapping of strategic objectives and their corresponding key performance indicators against the organisational structure. It maintains digital records and provides insightful dashboards to analyse and track benefits realisation throughout the portfolio lifecycle. This allows for real-time monitoring, adjustments and assessment of the achievement of strategic goals.



Technology-enabled strategic alignment

Risk and compliance management

04

Advanced analytics can be used to enhance compliance assessments and risk management, contributing to more effective resource allocation by assigning more resources to higher risk areas.



Real-time updates and reporting

05

Tools that allow transformation practitioners to easily access their project sites and information, allowing them to provide real-time updates and share departmental dashboards accessible by higher management from their devices and mobile phones to enable flexible decision-making based on the most current data.



Integration with enterprise systems

06

Project automation tools can be integrated with enterprise systems, such as procurement, finance and strategy systems, which can pull in relevant data to support business cases and project planning.



Scenario planning and forecasting

07

Automating scenario planning, to allow transformation practitioners to quickly assess the impact of different timelines, resource allocations and market conditions on the key outcomes of a project, including budget implications.



03

Cultivating a positive work culture

While technology has become synonymous with delivering business transformations, the role of culture cannot be underestimated. To enhance the impact of the TO, organisations should understand how they can nurture a positive work culture that emphasises collaboration, communication and agility. This will support a whole team approach to value delivery. Enhancing communication should also aim to facilitate the sharing of knowledge, including best practice and lessons learned, which can continue to drive the TOs maturity forwards.





Encouraging feedback

As the organisation adapts to value-delivery, they will inevitably experience challenges and obstacles that offer valuable lessons. Therefore, it is important that TOs create an environment in which feedback is consistently shared and acted upon. This not only enhances the impact of the TO by facilitating better support delivery teams, but also accelerates the professional growth of transformation practitioners. By fostering a sense of accountability without blame, transformation practitioners are empowered with a mindset geared towards continuous improvement. Top-tier TOs exemplify this approach, nurturing open communication and encouraging feedback among their delivery teams (Figure 4).

Figure 4: Top-tier TOs help develop a positive work culture

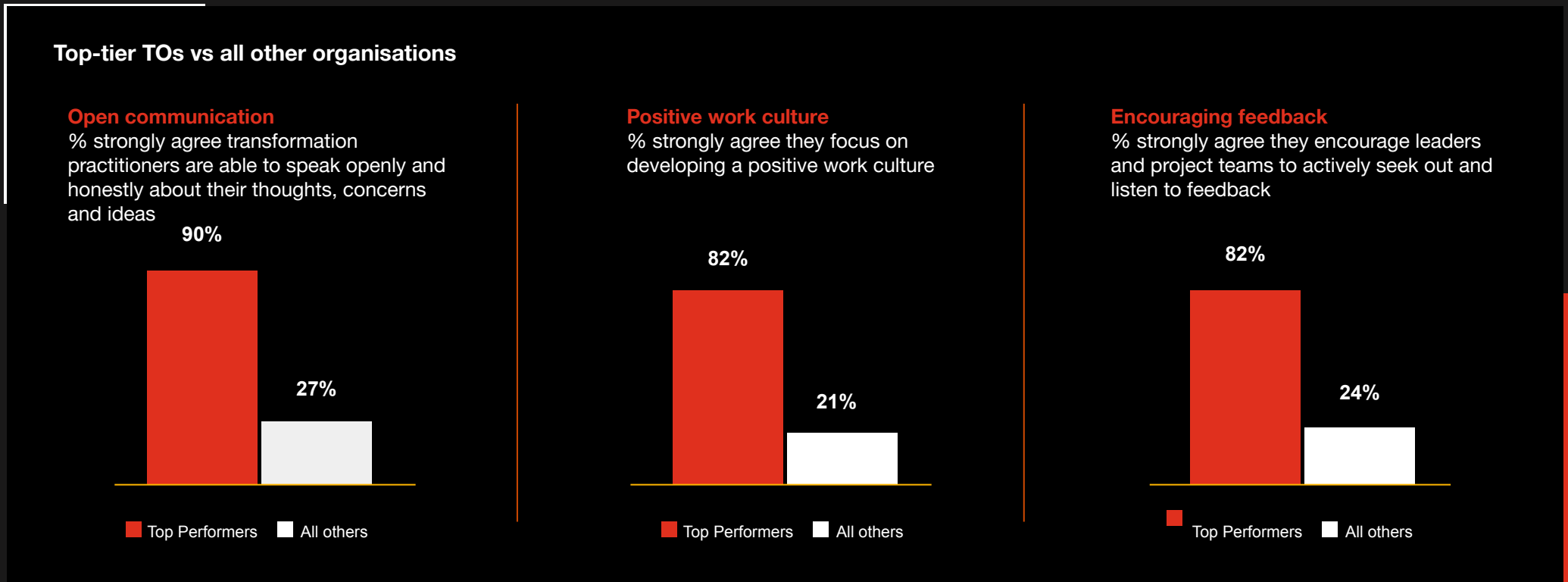


Figure 4 shows how top-tier TOs cultivate an environment of open communication and feedback among their delivery teams, fostering accountability and promoting a culture of continuous improvement vs all other organisations.



Knowledge sharing and continuous learning

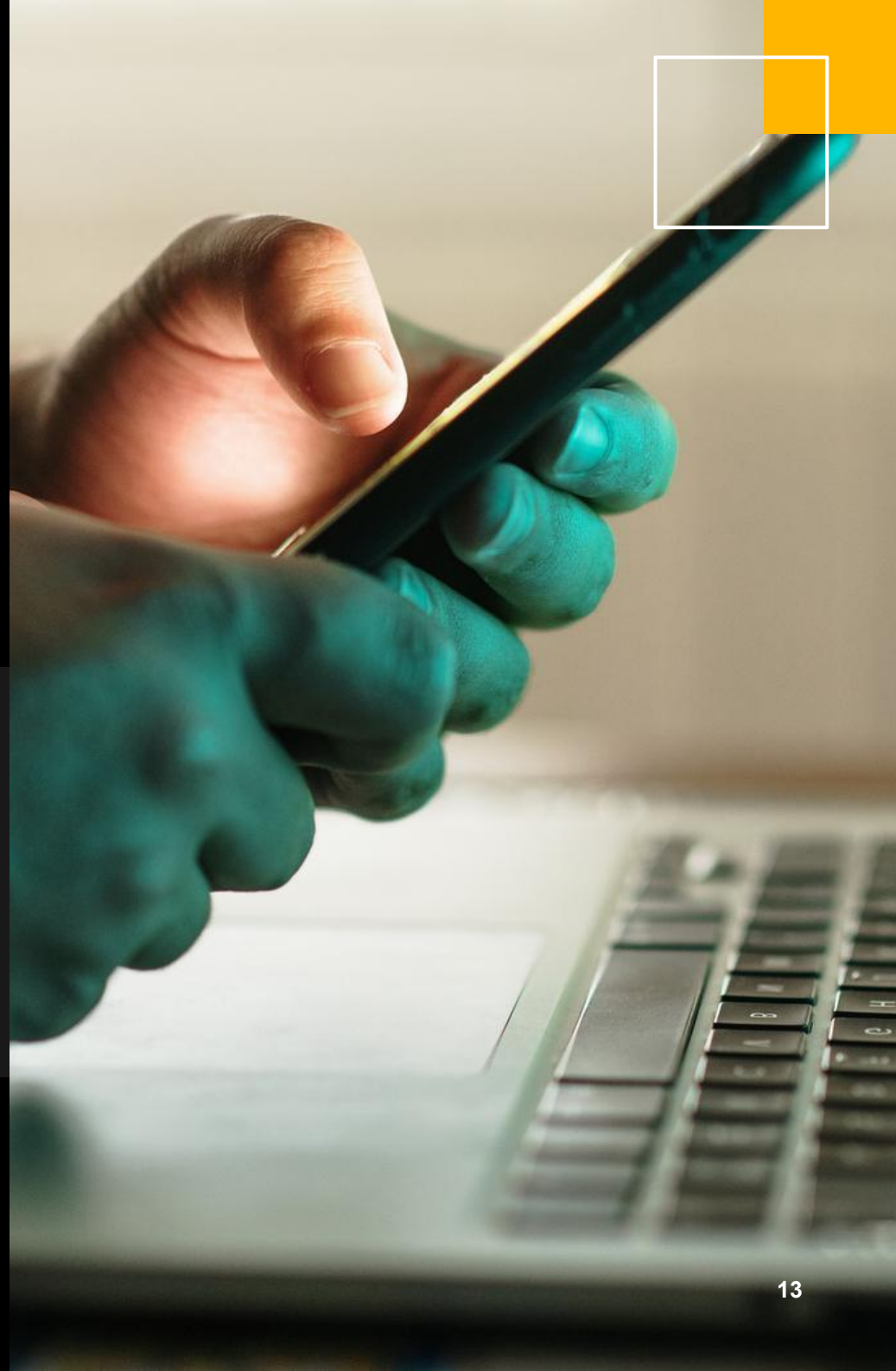
To accelerate maturity, it is essential that organisations promote collaboration and establish spaces and channels for knowledge sharing across teams. Nearly three-quarters of top-tier say their organisation fosters open communication and collaboration between different departments, like the TO and HR, compared to just a fifth of all other organisations. Transformation Offices have an instrumental role in facilitating this by improving the flow of knowledge across teams, including examples of best practice and important lessons learned. For example, 53% of top-tier TOs in the Middle East transformation and project management survey are twice as likely to enhance internal learning by establishing communities of practice and implementing knowledge management strategies, compared to 27% of all other TOs.

This proactive approach to knowledge sharing fosters a culture of continuous improvement and innovation within organisations. By empowering teams to bring together their insights, the TO can drive further improvement in processes and efficiencies, and ensure value delivery continues to evolve along with changes in the business landscape.

88%

of top-tier TOs strongly agree feedback processes are in place to drive continuous improvement in the organisation, compared to **21%** of their counterparts.

Source: PwC Middle East transformation & project management survey 2023





Embracing 'soft skills'

Top-tier TOs are also more likely to embrace the 'soft side' of value and transformation delivery. Among them, 84% strongly agree that the TOs plays a critical role in motivating transformation practitioners and cross-functional teams to achieve desired outcomes, compared to 23% of all other organisations in the survey. Additionally, 80% have indicated that their TOs is collaborative and has the ability to build trust and relationships, compared to 20% of all other organisations. By exemplifying these behaviours, TOs effectively promote the development of a positive mindset across the organisation.

A focus on soft skills is vital for the continued maturation of the TO and value-delivery. Our studies have shown that a focus on soft skill development in transformation practitioners has been linked to better organisational outcomes ⁴. It is also a hallmark of the most mature TOs in the Middle East, which consistently prioritise interpersonal skills like communication and collaborative leadership in project and TO staff ⁵.



Training

For delivery teams to continue to grow and deliver greater value, TOs should be an advocate for mentoring and training, and provide resources for transformation practitioners to upskill. The TOs should use their understanding of the organisation's strategic goals to ensure that competency-based training is developed and aligned with the organisations and transformation practitioners needs. Mature organisations are much more likely to be providing delivery teams with these resources and adapting training to the specific needs of project teams.

80%



of the top-tier organisations have indicated that their TOs is collaborative and has the ability to build trust and relationships, compared to **20%** of all other organisations

Source: PwC Middle East transformation & project management survey 2023



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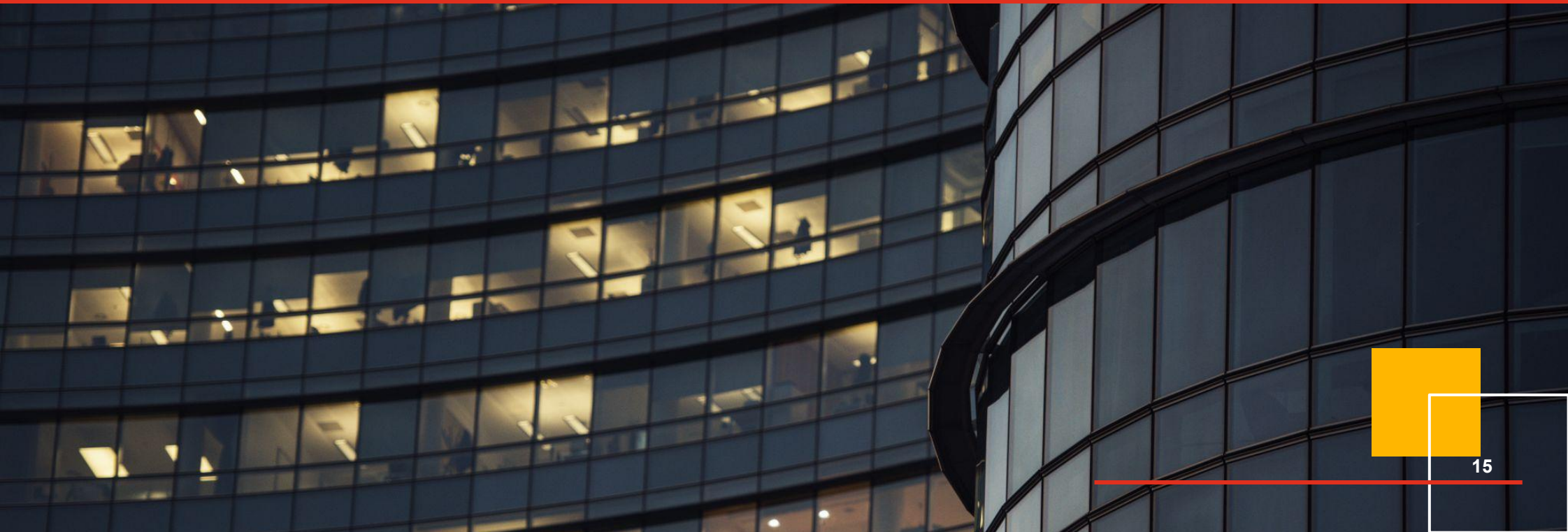
Taking your Transformation Office to the next level: Our recommendations

No matter what industry sector, every organisation today has to address how they evolve to remain relevant, to create real value for their stakeholders and to do so while integrating new technology, figuring out how to work with ecosystem partners, addressing how they meet climate commitments, solving how they find and develop the right talent and how they keep adapting to a world that is changing around them, all the time.

To continue the TO maturity journey, it is imperative for organisations to embrace digital innovation and cultural transformation. By delivering people-focused solutions that understand how best to support and enable value-delivery, TOs can continue to enhance its influence and realise added benefits from outcome-based approaches to projects.

Sustained outcomes are achieved by integrating a strategy aligned with value and distinct capabilities, along with an operational model that blends human expertise with advanced technology. By advancing TO maturity, organisations can establish an always-on transformation capability, seamlessly bridging strategy to execution and embedding it within their organisational DNA.

This report is part two of three from PwC's Middle East transformation and project management survey series.



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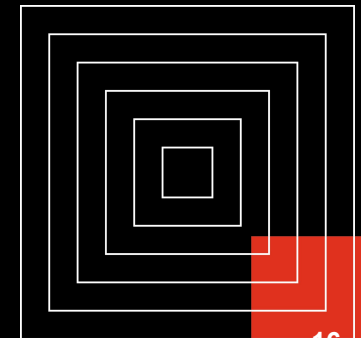
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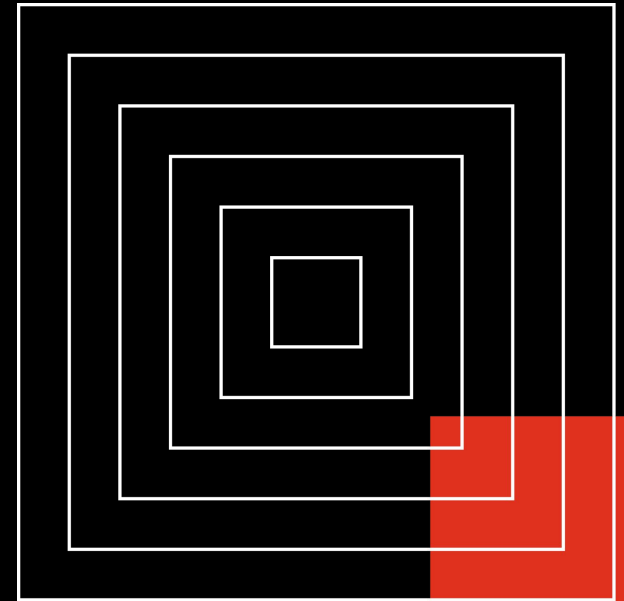


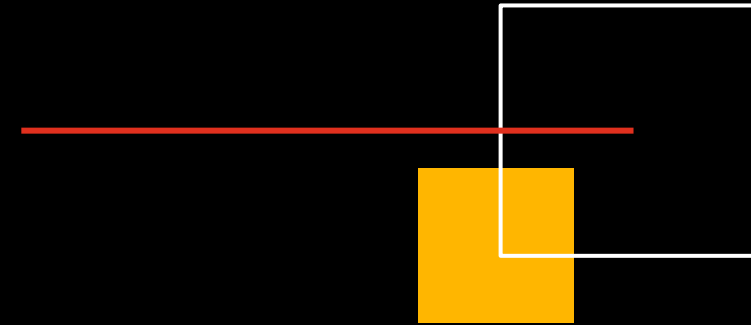
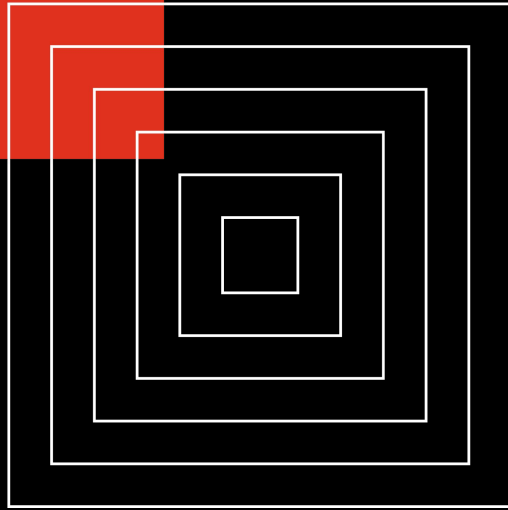
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Resources

1. [PwC CEO Survey Middle East Findings 2024](#)
2. [Transformation and project management survey series](#)
3. [PwC CEO Survey Middle East Findings 2024](#)
4. [PMI Pulse of the Profession 2023](#)
5. [Transformation and project management survey series](#)





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