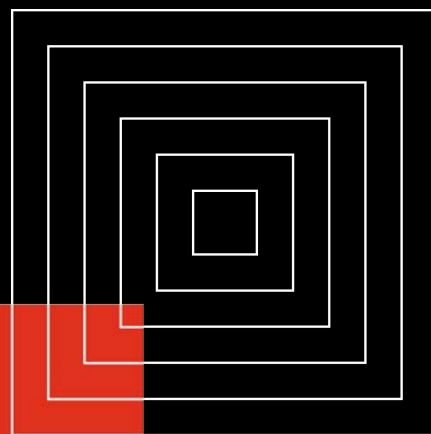


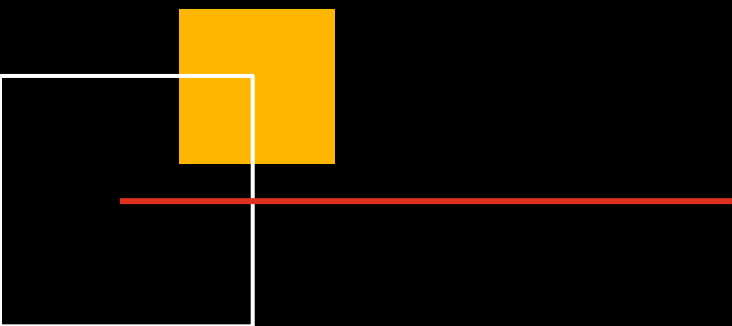


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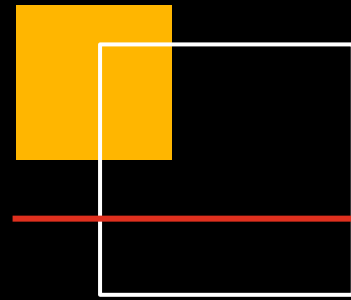


Transformation Offices: Enablers of exceptional value delivery

**PwC Middle East Transformation & Project
Management survey**



Foreword



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Transformation Offices - Catalysts of long-term value creation

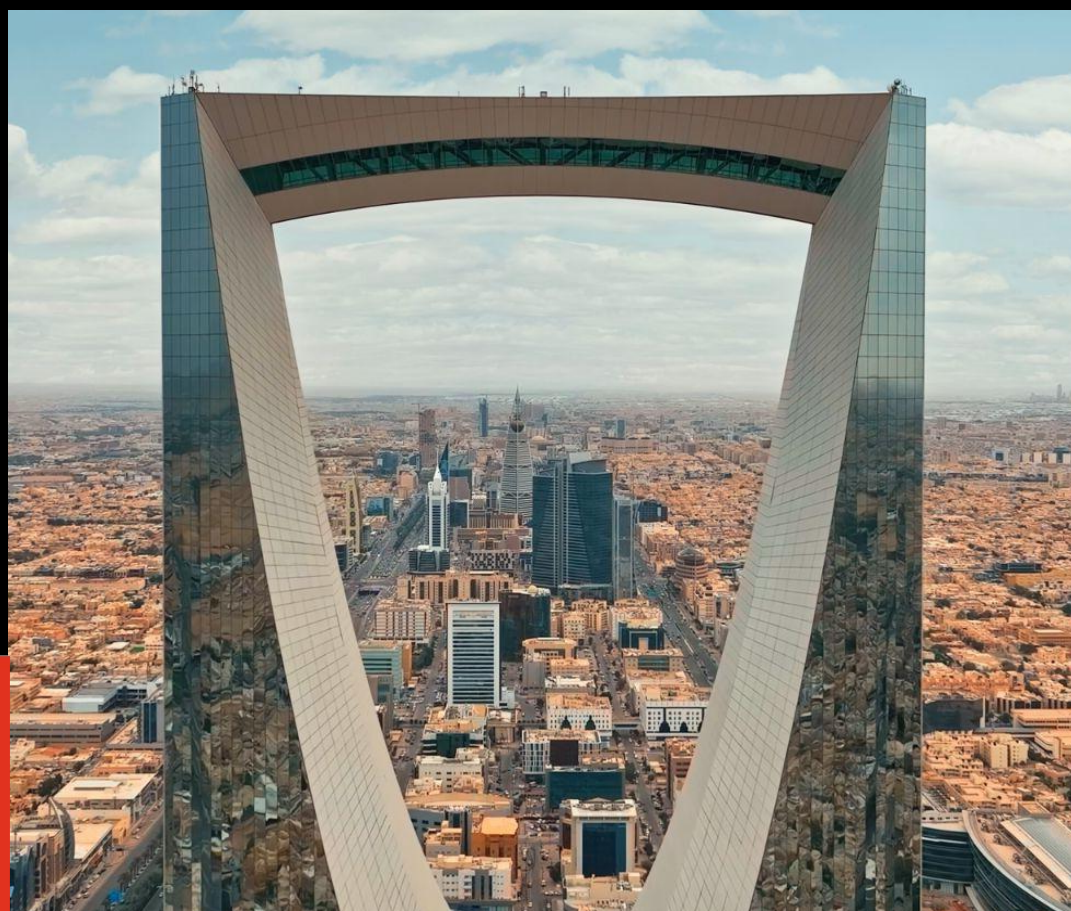
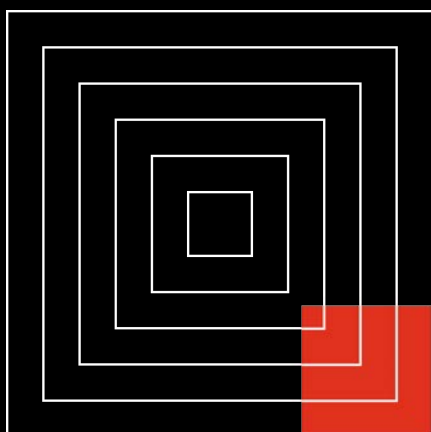
Value delivery is revolutionising how we envision success, impact and transformation. Successful transformations are no longer solely focused on a narrow scope of schedule and budget, but go beyond it to deliver value to people, achieving sustained outcomes first.

Traditional Project Management Offices (PMOs) and/or Portfolio Management Offices (PfMOs) are evolving to become catalysts for this long-term value creation. They are now responsible for realising strategy and channelling the flow of value from investment to clients, stakeholders and the broader society. To highlight their focus on strategy and value delivery, these evolved support offices are often referred to as Transformation Management Offices or in short Transformation Offices (TOs).

This report draws on the latest PwC Middle East survey in collaboration with Project Management Institute (PMI) on Transformation and Project Management, conducted in 2023. A total of 350 Transformation and Project Managers from the Middle East across various industries took part in the survey.

Acknowledgement

PwC Middle East would like to thank everyone who took part in this survey.



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Executive Summary

There is an increasing demand in the Middle East for faster transformation while ensuring positive outcomes for clients and society. In this dynamic environment, value delivery is emerging as a key work practice to help manage complexity and optimise resource utilisation to deliver on key outcomes. This was highlighted in the [2022 PwC Middle East Capital Projects and Infrastructure survey](#),¹ which revealed the need for organisations to take advantage of new skills and work practices to keep up with demand. The role of modern transformation offices has continued to evolve to not only support aligning the CEO's strategic objectives to on-the-ground delivery; but to also actively support and guide the organisation through a cultural shift to a value-delivery mindset.

To understand how the most successful TOs are helping their organisations embrace value and outcome-based practices, PwC Middle East and PMI collaborated on the survey, which PwC used as the basis for this report focused on value delivery in the Middle East. This has revealed that TOs that are highly mature in value-delivery are instrumental in delivering better outcomes for their organisations. These 'top-tier' TOs have strong value-focused cultures, clearly defined outcome-based goals and are much further along than other organisations in implementing value and outcome-based approaches, such as benefits realisation management.

This report, first in the Transformation and Project Management series, focuses on value delivery in the Middle East. It reveals why value-focused support offices, such as TOs, are a key differentiating factor between the most successful organisations and the rest of the market. It explores the key roles and characteristics of the top-tier TOs that organisations should seek to emulate to develop and mature their own offices. The report covers:

Organisational benefits of a value-focused TO



Key characteristics of the top-tier TOs



The role of the TO

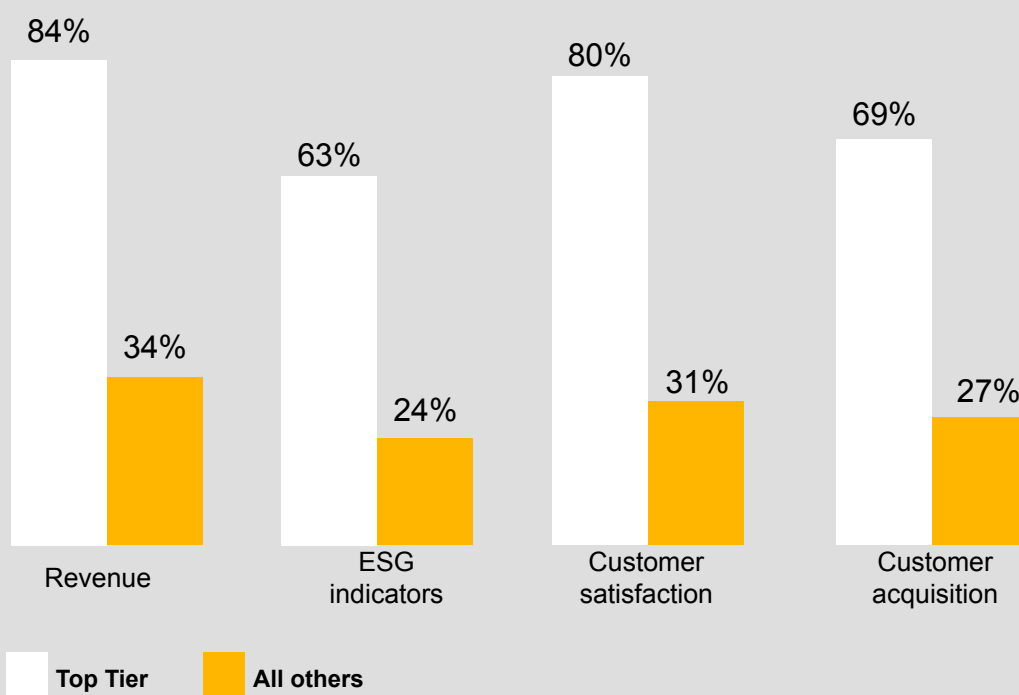


¹ [PwC Middle East Capital Projects and Transformation Survey, 2022](#)

How do value-driven Transformation Offices drive better outcomes for organisations?

Top-tier Transformation Offices are driving significant contributions to their organisations' success and competitiveness. Leveraging the power of TOs, organisations have delivered better outcomes across various key indicators, including revenue, customer outcomes and Environment, Social and Governance (ESG) indicators (figure 1). This emphasises the key role of a value-focused TO in maintaining an organisation's competitiveness as it navigates complex transformations.

Figure 1: Outcomes for the top-tier organisations: % of organisations delivering much better outcomes in 2023 compared to 2022



2.5x more likely to be achieving 'much better' outcomes

Who are the top-tier and how do they structure their TOs?

The top-tier, comprising leaders in various industries such as technology, construction, and financial services, showcase a diverse range of TO structures and names. This diversity indicates that there is no one-size-fits-all approach for a successful TO.

TO design should instead align with current structures and use this to guide the model implemented, such as centralised vs decentralised. This should be carried out with an assessment of the organisation's current governance structures to ensure that it is able to effectively support value-driven approaches and enable a successful TO.²

Top-tier Transformation Offices — a focus on people, culture and technology

Top-tier TOs demonstrate a greater focus on people, culture and the integration of cutting-edge technology compared to other organisations. This focus is pivotal in enabling their organisations to successfully implement value-based approaches and achieve key strategic outcomes.

Our research shows that top-tier TOs embody the key attributes of value-driven support offices identified in our 2023 study with PMI, [“Delivering value through xMOs”](#).³ These four key attributes, identified through discussions with world-leading experts in value delivery and transformation include:

Aligned to strategy :

They empower teams to set goals and ensure alignment at project, programme and enterprise levels using digital solutions and goal-setting frameworks.



People and culture focused:

Top-tier TOs are instrumental in building the organisation’s value-focused culture and facilitating collaboration between decision-makers and the delivery teams.



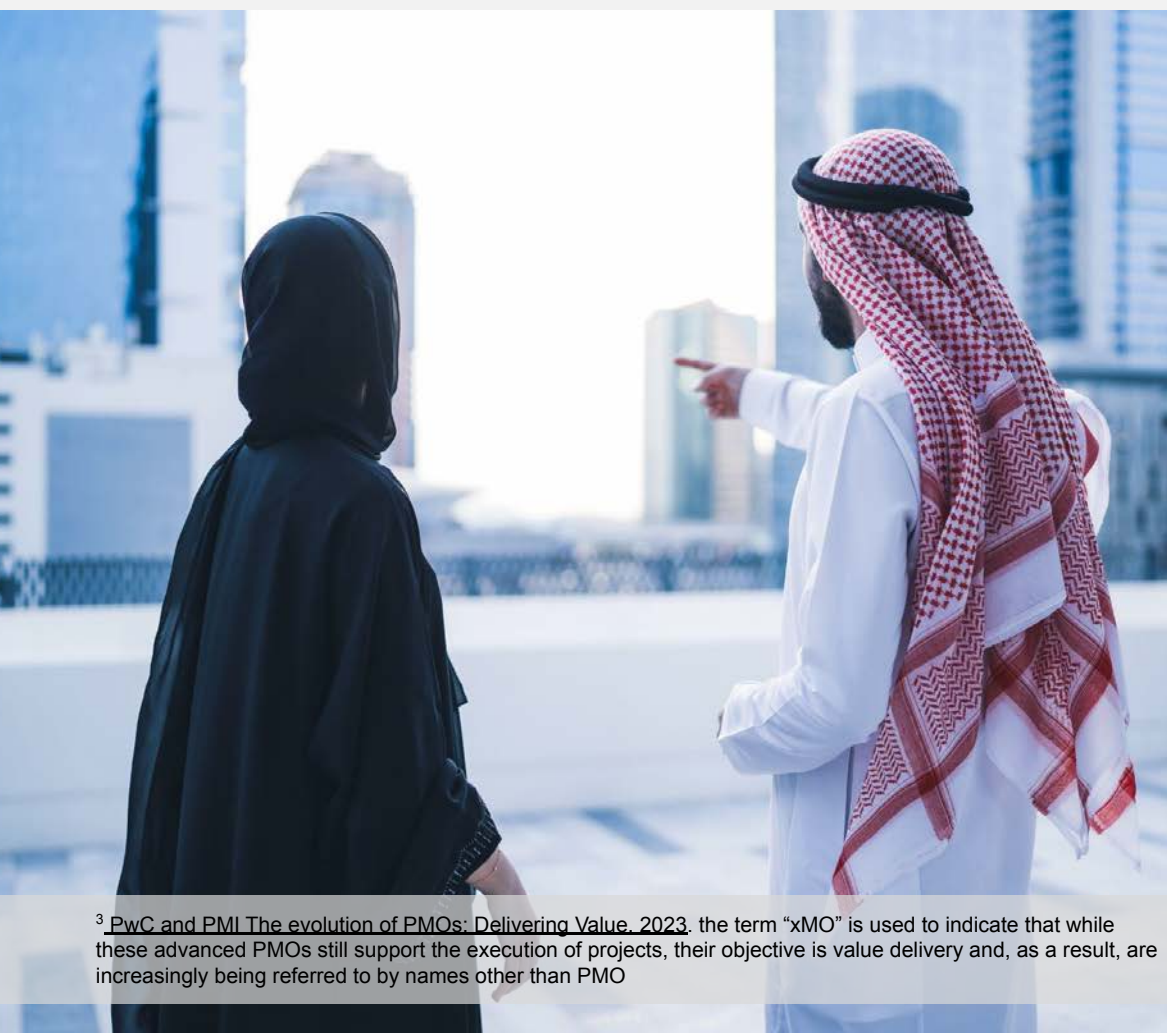
Flexible and adaptable:

They possess a broad range of knowledge of management best practices, and are able to adapt these to best suit the needs of teams and their unique delivery environments.



Supportive and tech-enabled:

Top-tier TOs act as coaches, mentors, and facilitators, and support the integration of technology.



³ PwC and PMI [The evolution of PMOs: Delivering Value, 2023](#). the term “xMO” is used to indicate that while these advanced PMOs still support the execution of projects, their objective is value delivery and, as a result, are increasingly being referred to by names other than PMO

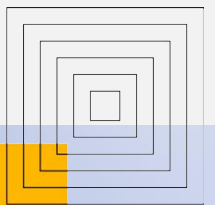
Aligned to strategy:

Constant alignment between strategy and execution is crucial in value-driven organisations. Goals set at a project level need to be continually aligned and refined to effectively contribute to the organisation's overall strategic and critical change goals. Effective methods of communication need to be set up to ensure that milestones and value delivered are constantly being communicated with the senior leadership.

73%

of the top-tier TOs have a formal role in aligning value delivered by projects and transformation with the organisation's critical strategic and change goals (compared to 50% of all other organisations).

Source: PwC & PMI Middle East Transformation Survey 2023



People and culture focused:

Top-tier TOs play a significant role in developing capabilities of their project managers. Over half of the top-tier focus on nurturing strong personal skills, such as leadership and collaboration. As the project manager role continues to evolve with changes in technology and value-based approaches, these soft skills will become increasingly vital. These skills enable project managers to effectively communicate the value delivered on ground, maintain its alignment with organisational goals and improve collaboration across business functions.

"Effective project management requires more than technical skills; strong communication is essential. What differentiates a project manager is communication and leadership skills that would ensure their ability to clearly convey challenges and solutions to the team - positioning them as exceptional leaders."

Riyadh Al Najjar, PwC Middle East Chairman of the Board & KSA Senior Partner

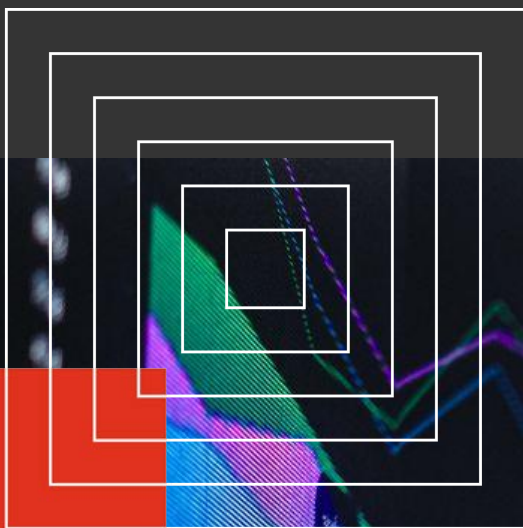


86%

of the top-tier TOs prioritise interpersonal skills in project and TO staff all the time, such as communication and collaborative leadership (compared to 28% of all other organisations).

Flexible and adaptable:

The dynamic nature of transformation and value delivery necessitates that teams continually adapt. In this environment, top-tier TOs are particularly adept at maintaining effective communication with project teams, ensuring alignment with both internal and customer needs. 76% of top-tier TOs strongly agree that they engage in open conversations with project teams to understand the most fitting approach for their needs, compared to 26% of all other organisations. Our conversations with experts have shown that a servant-leadership style can be a great enabler when adapting practices across different teams. This approach, rooted in empathy and collaboration, allows the TO and teams to agree on management practices best suited to the delivery environment and supports project managers to overcome their key challenges.⁴



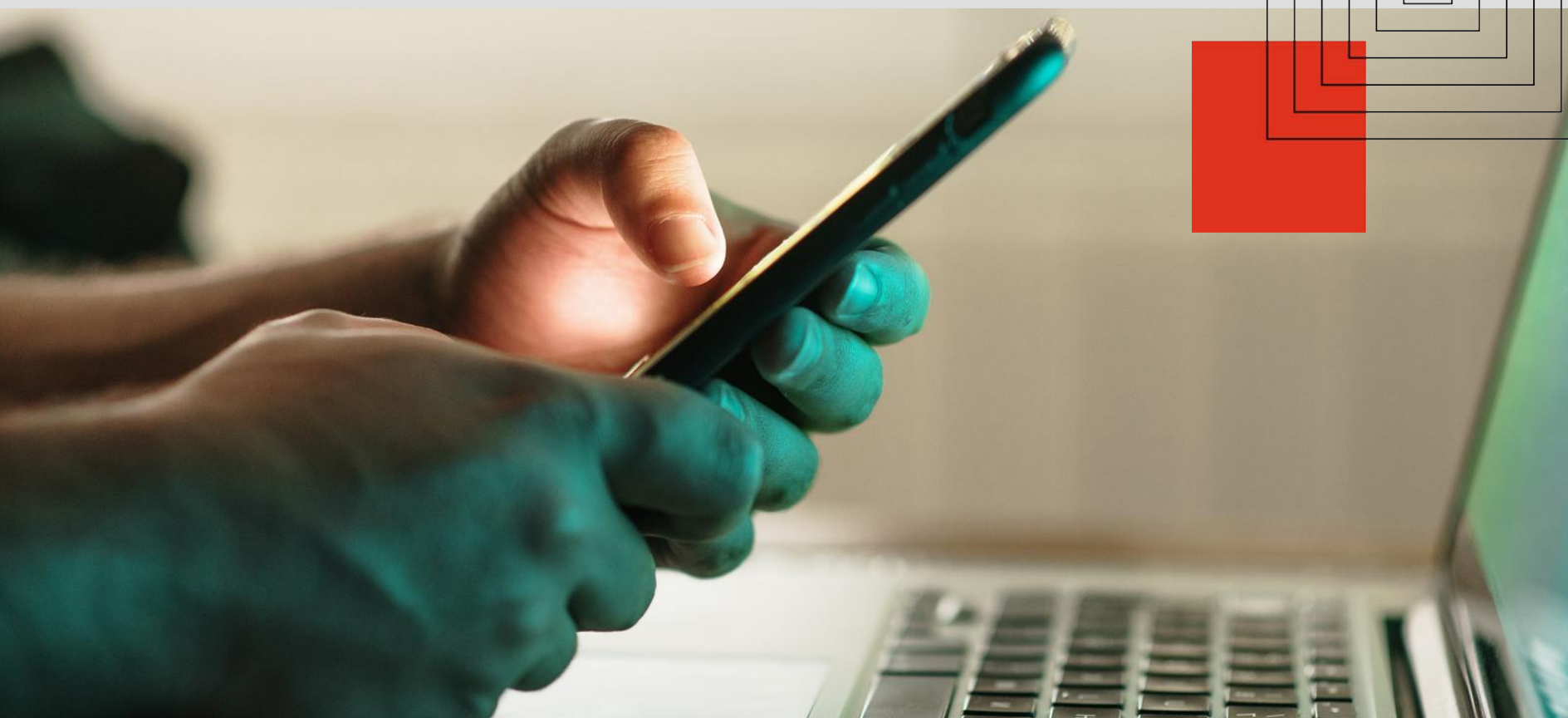
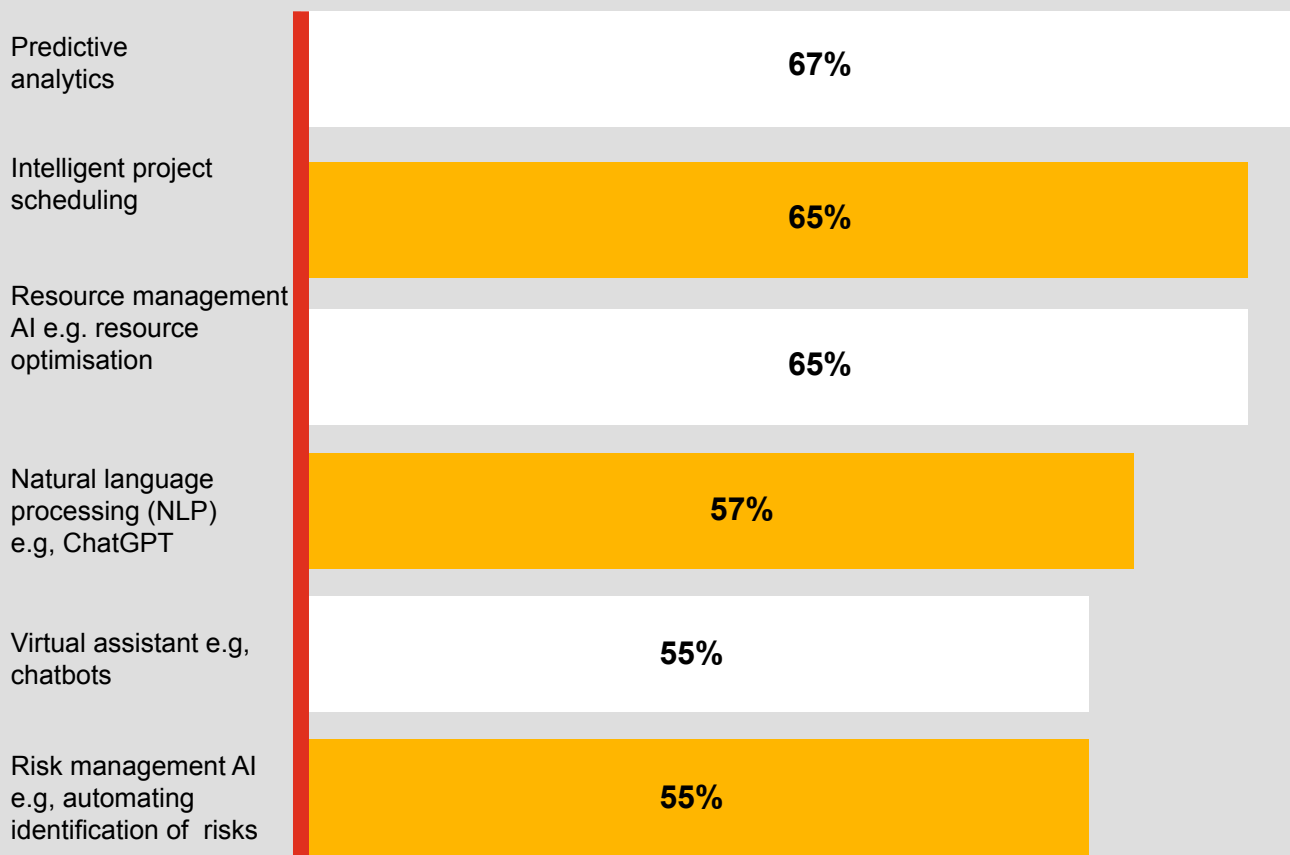
⁴ PwC and PMI The evolution of PMOs: Delivering Value. 2023.

Supportive and tech-enabled:

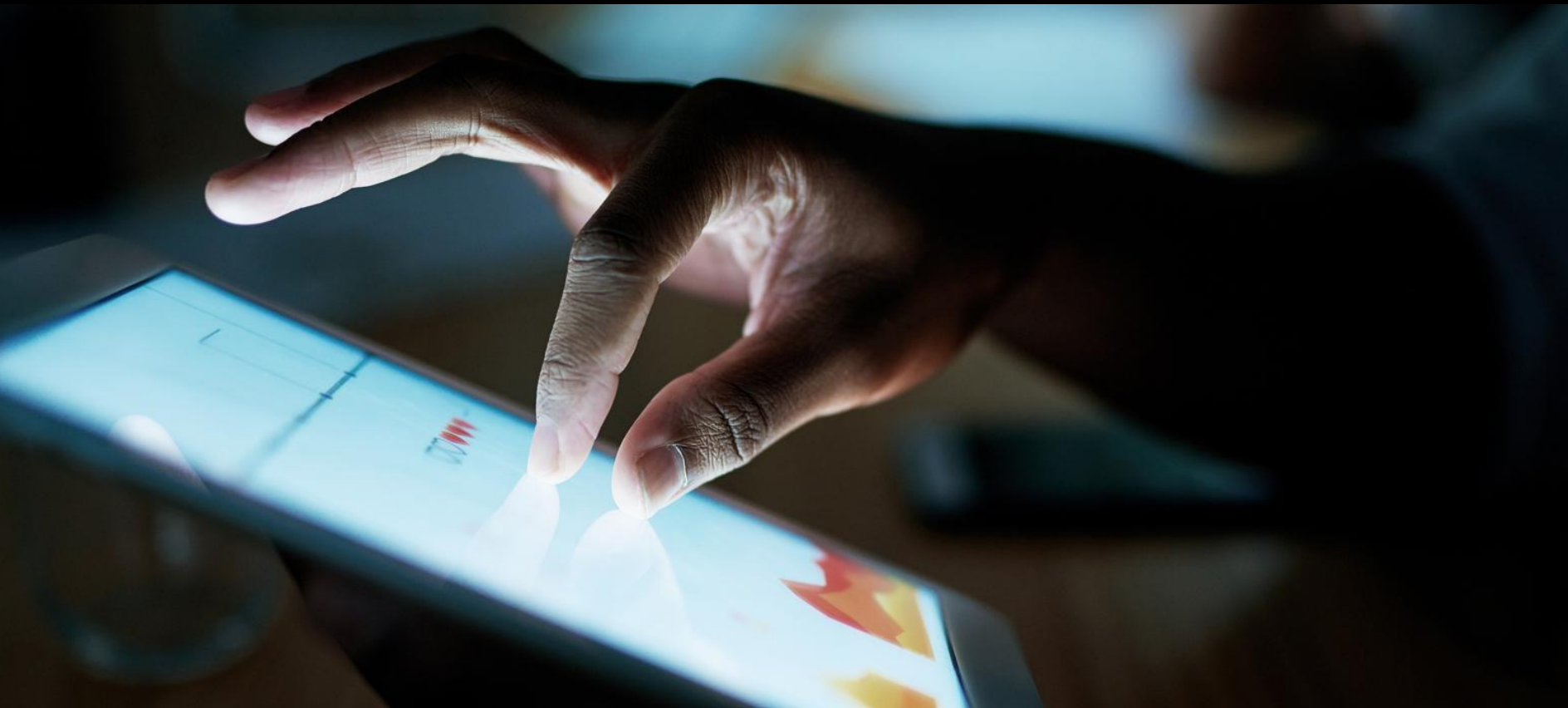
Top-tier TOs play a crucial role in fostering a culture that is both value-focused and tech-enabled in their organisations. Compared to other organisations, top-tier PMOs are more than three times as likely to utilise the latest tools and technologies. They are also twice as likely to strengthen internal learning by establishing communities of practice and knowledge management.

The majority of top-tier TOs are enhancing value and driving transformation through modern technology. Four out of five TOs consistently leverage project data and analytics, while two out of three report using the latest tools and technologies, as highlighted in Figure 2.

Figure 2: Tools used to support the delivery of projects, programs and transformation by the Top Tier TOs (%)



What differentiates top-tier Transformation Offices: 3 key characteristics



Our research has revealed three key characteristics of top-tier TOs that distinguish them from similar support offices:

C-suite support and alignment

01



Clear value definition processes

02



Successful implementation of value-based approaches

03



01 C-suite support and alignment

A critical enabler of the top-tier TOs is C-suite support. [PwC's research](#) has consistently demonstrated that the most successful TOs are characterised by a strong strategic partnership with senior leadership.⁵ C-suite support ensures that TOs are linked in with strategy, and provide the remit and credibility to influence change at a project and team level.

75%

of the top-tier strongly agree that the C-suite in their organisation appreciates the role of the TO and considers it a strategic partner (compared to 27% of all other organisations).

Source: PwC & PMI Middle East Transformation Survey 2023

⁵ PMO Maturity: Lessons from the Global Top Tier. PwC and PMI 2021

These strong partnerships between the transformation office and senior leadership enhance effective, data-driven decision-making. 78% of top-tier TOs consistently leverage project data and analytics, such as predictive analytics, to inform decision making. By establishing a clear line of communication with the C-suite, they can provide up-to-date data to support decision making. This approach enables the organisation's strategy development and portfolio prioritisation to be more adaptable, responding effectively to customer needs and market dynamics.

69%

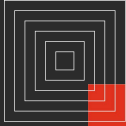
of the top-tier strongly agree that there is a clear line of reporting from TOs to the C-suite and senior decision-makers (compared to 25% of all other organisations).

Source: PwC & PMI Middle East Transformation Survey 2023



02 Clear value definition processes

A key practice of top-tier organisations is clearly defining value at the inception of projects, programmes and transformation. 75% of the top-tier organisations consistently do this for their projects and programmes (compared to 30% of all other organisations). However, bridging the gap in value identification from the board/strategic level and the project/team level remains a challenge in the overall market, as only four in ten organisations are identifying value at a project, programme or portfolio level. To evolve, organisations must focus on how they can best identify value at both the strategic and team levels, and how to continuously align these to ensure that the organisation remains adaptable and flexible in a changing market.



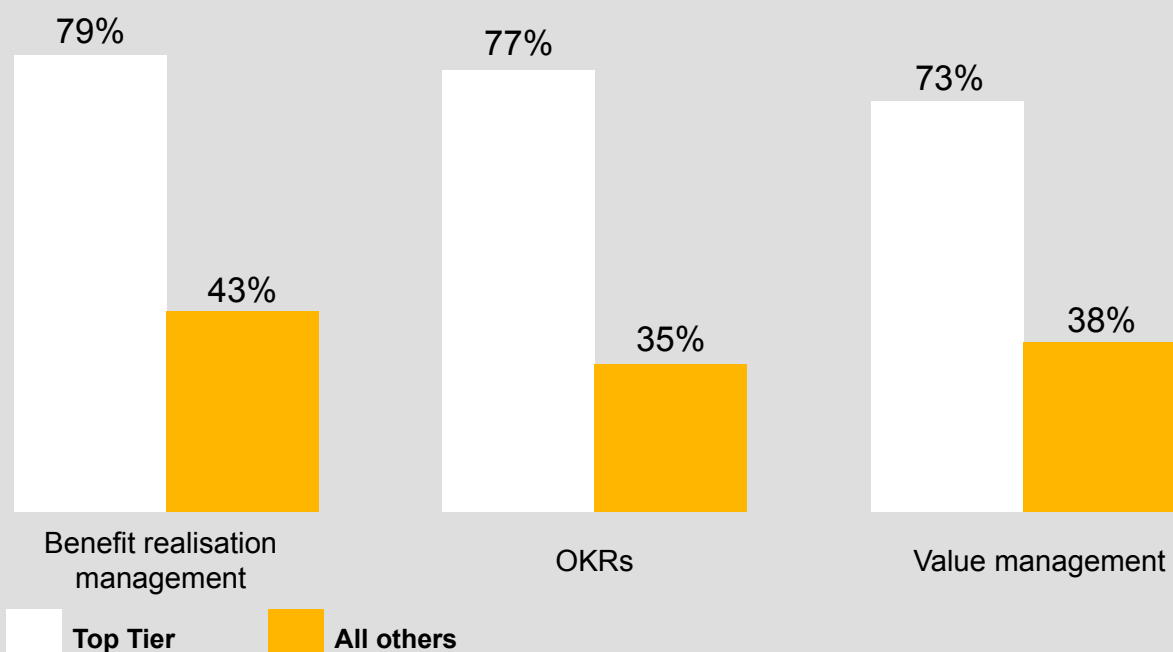
03 Successful implementation of value-based approaches

Top-tier TOs also stand out through supporting their organisation to adapt to and deliver more value from outcome-based methodologies, for example benefits realisation management. While long-recognised approaches to delivery, such as waterfall project management still play an important role where projects have well-defined and stable requirements, advanced TOs are prioritising value and outcome-focused approaches, such as objectives and key results (OKRs) to deliver more value from their transformations. While those approaches are used across many organisations, the higher maturity of the top-tier TO's ensures better outcomes are realised from using them (figure 3).

Top three most common approaches to help deliver projects, programmes and transformation in the top-tier:



Figure 3: Top-tier TOs support organisations in delivering greater value through outcome-based practices



Percentage of top-tier TOs very successful in delivering value using outcome-based approaches

Case study

Defining value in an emerging sector



Saudi Esports Federation case study: Defining value in an emerging industry

At the Saudi Esports Federation (SEF), defining value in the burgeoning esports industry has become a cornerstone of their strategic approach. Maha Aloufi, Strategy Executive Director at the SEF, led the research and development of key value-based outcomes that helped propel the success of esports in Saudi Arabia.

Esports is a rapidly growing industry, with the Saudi gaming and esports market value projected to reach \$6.8billion by 2030, up from \$1 billion in 2021⁶. To unlock the potential of this growth in Saudi Arabia, the SEF needed to transition from a reactive to a strategic, value-focused model. The key to this transformation lay in comprehensive market research to understand what value means to the esports community and the role of the SEF in delivering this value. The process included extensive stakeholder engagement, benchmarking against international standards and developing a deep understanding of the esports ecosystem.

01

Market research and stakeholder engagement:

The Strategy Management Office (SMO) actively engaged with internal stakeholders in the Saudi esports industry, including teams, clubs and the Saudi Olympic Committee to understand what were the most important growth areas and challenges. This included a mix of face-to-face conversations and surveys.

02

Strategic research and benchmarking: The SMO conducted extensive research to understand best practices across the global esports and event management industry, including speaking with international experts and federations.

03

Strategic development workshops: The SMO facilitated workshops within SEF to understand how the SMO can best support teams to overcome their key challenges, such as communication skills and event promotions.

04

Strategic alignment: The SMO worked to align the SEF strategy with the broader national esports strategy to maximise its impact.

Through these steps, the SMO played a pivotal role in defining what value meant for the SEF and its stakeholders, as well as in supporting the teams within the federation to overcome their main challenges for delivering that value. Similar to top-tier transformation offices, the SMO has developed KPIs that focus on meeting the communities' needs and expectations and innovating and adapting to changing customer needs and market conditions (Figure 4).

Figure 4: The most common outcome measures of top-tier TOs



By keeping the community's needs at the forefront of its strategy, the SEF helped to deliver better outcomes, including the successful delivery of Gamers8, Saudi Arabia's flagship esports event. Key outcomes delivered by the event include over 2.6 million visitors, over 200 million Esports viewers, and 325 teams from 80 different countries taking part. This has helped pave the way to the next key project, delivering the largest gaming and esports festival in the world, "The Esports World Cup".



Transformation offices: A guide to maturity



To better equip your organisation to deliver greater value, TO's need to focus on how they can develop their capabilities and emulate the top-tier to increase the competitiveness and success of the organisation.

- 01** **Establish C-suites support and maintain alignment:** Develop a clear line of reporting between the TO and C-suite. Leverage data and analytics, such as predictive analytics to support leadership to make evidence-based strategic decisions.
- 02** **Clearly define value:** To improve the strategic acumen of the TO, ensure it facilitates the definition of value, especially during business case development. Continually align this value with the organisation's critical strategic and change goals.
- 03** **Utilise outcome-based approaches:** Support the organisation during the implementation and use of outcome based approaches, such as OKRs. Continually adapt these approaches based on the needs of delivery teams to maximise the value-delivered based on the availability of resources and skills.
- 04** **Prioritise interpersonal skills in TO staff and project managers:** Leadership, communication and collaboration skills are key to develop a strong value and outcome focused culture in organisations.

By focusing on these key actions, Transformation Offices can achieve a higher level of maturity and support organisations in closing the gap between transformation strategy and execution.

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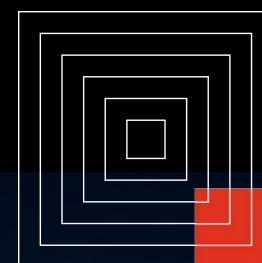
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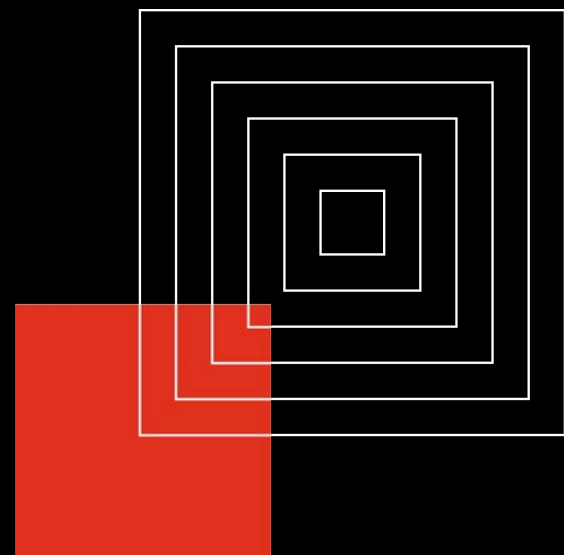


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