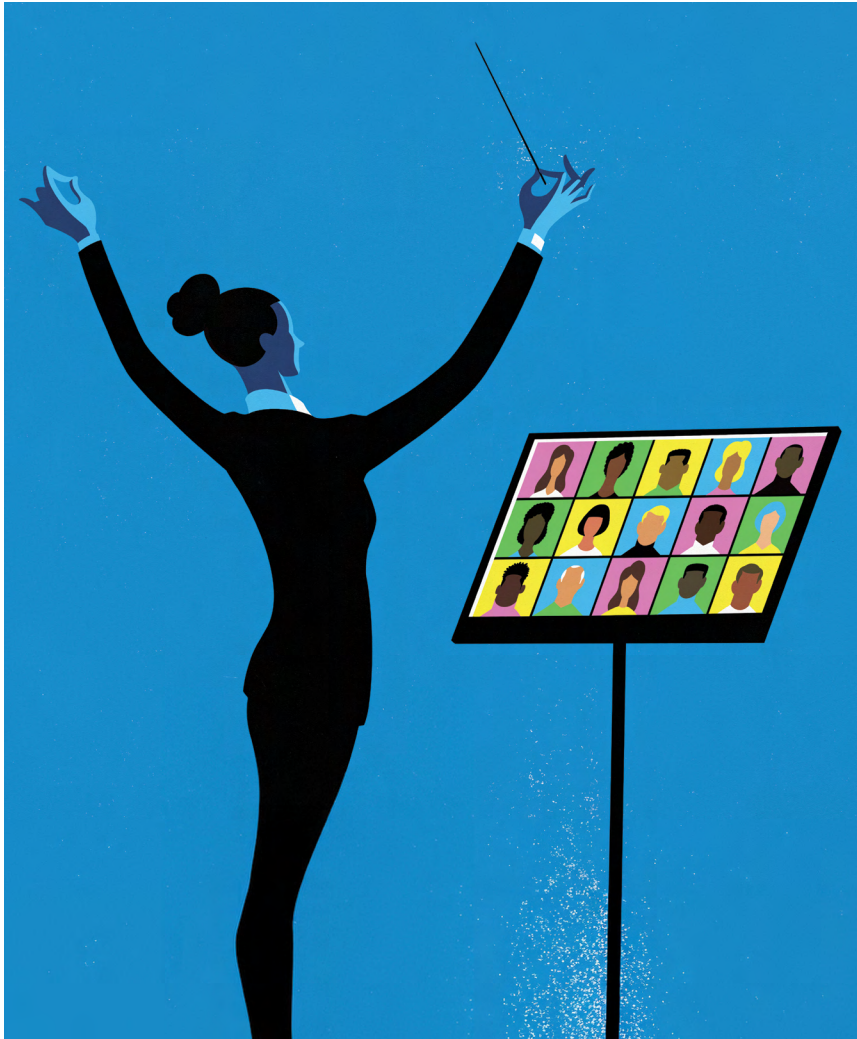


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ERP INSIGHTS

Where, What, Who, When, Why, and How of ERP Project Management

BY MIKE MUCHA

Regardless of the type or size of organization, project scope, software vendor, or project budget, every government that's going through an enterprise resource planning (ERP) project will need a project manager. The amount of time or number of people dedicated to the role may vary; however, perhaps no other role on the project is as critical to the overall success of the project as the project manager. The Project Management Institute (PMI), the leading member association to support project management professionals, defines project success as "the consensus view across intended beneficiaries, other stakeholders, and project participants that a project was perceived to have delivered value that was worth the effort and expense." ERP projects are notorious for low success rates, which also puts a spotlight on the value of a project manager and the role they play.

For ERP projects, project managers are responsible for preparing a project plan, organizing and tracking all administrative aspects of the project, monitoring the workload for key resources, documenting issues, holding stakeholders (including the vendor) accountable to project goals and requirements, ensuring effective communications, mitigating disputes, facilitating good project governance and decision making, completing necessary approvals and sign-offs, and supporting the fair treatment of all involved. In some projects, the project manager will take on change management, testing, training coordination, and any other tasks that are needed. While project managers alone can't deliver a successful project, projects that move forward without an established project manager often suffer from communication breakdowns, scheduling delays, missed milestones, unclear assignments, over-extended and over-stressed team members, and overall confusion.

So, why do so many governments begin an ERP project without defining the role of a project manager and assigning a qualified individual to this position? GFOA's consulting and research experience with ERP readiness points to three main challenges: 1) The position of ERP project manager is a new role and it can be difficult to fully understand what the role involves before the project starts; 2) governments mostly operate with a lean staff, and there may not be someone available and willing to leave their current role and take on the position of ERP project manager; and 3) many organizations face a problem similar to the riddle about which came first the chicken or the egg. Project managers play a critical role in project planning, but that same planning effort is what defines the role and identifies the project manager. Without a project manager to spearhead planning efforts, there is no project planning function that would be responsible for identifying the project manager.

Past articles in *GFR* have focused on the importance of ERP governance (April 2025) and the benefits of staffing the ERP project with cross-functional project teams (August 2025). In this article, we try to answer common questions about ERP project management and help build awareness for how important it is to provide resources for this function early in any ERP project.

1 Why is a strong project manager necessary?

To define the value a project manager brings to an ERP project, consider what would happen on the project if a government attempted to proceed through implementation without one. Unfortunately, this doesn't have to be a hypothetical exercise, as we have plenty of examples of project management breakdowns that have contributed to less-than-ideal outcomes.

Without a strong project management function, projects are likely to suffer from a lack of clear goals, communication breakdowns, failure to meet timelines, poor documentation, inability to hold the vendor accountable, incomplete testing, and ineffective training. As a result, these projects

also generally have a much higher rate of scheduling delays, costly change orders, and missed expectations.

Having a strong project manager alone can't fix all of these issues, but a person in that role can fill the gap. One of the best compliments you can give an athlete is that they make everyone on their team better, and the same is true for a project manager. A strong project manager not only ensures that project management tasks are completed, but they also free up all functional and technical resources to focus more on policy, process, and software configuration decisions, and how to best design a system that aligns with future state expectations and best practices.

For organizations that haven't taken a formal approach to project management on past projects, why start now? First, informal approaches to project management can work for certain projects that are contained to one department or involve few individuals—but they mostly work because these projects don't face the same level of challenge, and organizations get lucky and get by. ERP projects bring a different level of stress and a much greater need to coordinate resources from across the entire organization. Without someone to coordinate these resources and their activities, projects can quickly devolve into a mess.

GFOA's simplified model for project management of an ERP project requires the project manager to take the lead in completing the following:

- **Make a plan.** Having a clear plan for how the project will move forward allows others to participate and understand where the effort is going.
- **Assign resources to the plan.** Don't assume resources know their role. Assign resources and clearly communicate who is doing what.
- **Follow the plan.** Hold resources accountable for completing tasks.
- **Communicate status and document key decisions.** Get others involved and share the story of your project. Not everyone will be in the room when key decisions are made, so you'll need to document progress.

- **Anticipate problems and delays.** No project is perfect—don't be surprised when issues come up. Go looking for them, and work to address each one before it causes harm to the project.
- **Resolve disputes.** Confront misunderstandings, disagreements, and big challenges by bringing individuals together to actually solve the problem. Hoping the problem will disappear on its own may not be the best strategy.
- **Track results and confirm success.** Projects need to keep score and celebrate successes.

Project management may look a little different for every project; ERP projects don't roll off an assembly line where the goal is minimal variation. Each one takes on a life of its own, but each one also needs a project manager to help guide it through each of the stages of the project lifecycle.

2 When does a project manager need to start?

GFOA identifies three main phases for ERP projects. The first phase focuses on preparing the organization for implementation of the ERP software and involves preparing project plans, establishing budgets, organizing stakeholders, defining needs and requirements, determining scope, and facilitating the procurement process to identify and contract with any necessary software vendors or professional service providers. In the second phase, the ERP software is installed, and the software vendor (or other consulting partner) will lead the effort to set up, configure, and test the software, and to provide training, data migration, interface and report development, and other similar services. For the last phase, after the initial launch of the software, the organization enters a phase focused on stabilization, refinement, and user adoption, where issues are identified and addressed, and the organization learns how to best support the new set of policies, processes, and tools.

When software implementation begins, the software vendors will often have a project manager of their own, highlighting the need for a project

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manager to work alongside this role and represent the government. But if a project manager is only brought on then, it's already too late. Any project manager who begins without the advantage of participating in the readiness and preparation phase of the project will always be playing catch-up. Also, key decisions at the core of the project management function will have already been made.

Many organizations make the mistake of defining the start of an ERP project as when the software implementation kicks off, ignoring the importance of preparation activities that lead up to implementation. Think of the project manager as the manager of a baseball team—this would be equivalent to hiring that person just in time for opening day. For the team to greatly improve its chances of a winning season, the baseball manager needs to be in place for any pre-season meetings, practices, or spring training games, and to be involved in key decisions on the roster, strategies, or team-building activities. The same is true for ERP projects.

3 How much time should the project manager dedicate to the project?

While ERP projects often define a staffing level for the ERP project manager in hours per week or full-time equivalent (FTE) positions, a more appropriate way of looking at it is to determine how much a project manager will be able to do, given potential staffing levels. Much like the amount of money available in a budget, there's seldom enough to accomplish all needs or wishes—but we can define and price different levels of service to determine the most appropriate funding level.

Many small organizations can present a clear business case to support

a part-time project manager. For more complex organizations or projects, GFOA would advise a full-time resource. For larger projects, staffing a project management function will likely require multiple people as part of a project management team. The results that a project management function will get depend on what goes into the position. Project managers are rarely, if ever, bored, with nothing to do at any point during the project. The more likely scenario is that their task list is too long and they need to prioritize work and understand they won't get to all of it. Determining where the cost of additional resources is justified by the additional value they add is the key. GFOA recommends making a list of all the tasks that governments expect the project manager to lead, and also assume some time for resolving problems, reacting to issues, or addressing risk areas. This will inform the level of effort required for the project manager.

4 Where can a government find a project manager?

Most organizations already employ individuals who have project management skills, and every organization has many projects going on at any time that are led by project managers. The question is not where can I find a project manager, but rather where is the best place to recruit the most appropriate project manager for an ERP project—a large-scale and risky business policy, process, and software modernization effort that will, ideally, transform the entire organization and the way it approaches its administrative responsibilities.

The most natural place to look for a project manager is within your existing organization. Organizations that already have an established project

management office (PMO) often have resources who have project management skillsets that put them in an ideal place to lead ERP projects. While the ERP project may be larger or more complex than other initiatives taken on by the PMO, those other projects often exhibit many of the same issues the ERP project will face, positioning that person to succeed.

For organizations that don't have an established PMO, good project managers can also be found working within other departments like information technology, finance, human resources, or city/county management. The challenge for project managers who come from a department with functional or technical responsibilities on the project is the need to clearly separate the two roles. The individual selected as project manager also must be able to clearly focus on the role of project manager without conflict from other project assignments. Many organizations fall into the trap of believing that one person can lead both subject-matter project roles (like finance lead or HR/payroll lead) and project management at the same time, so they choose someone like the finance director, budget director, controller, or payroll manager. Initially, there may be advantages in combining roles, and the project may progress in a more streamlined and efficient manner, but inevitably, that person will become limited in both roles. Project managers who need to juggle functional responsibilities on the project often neglect their project management duties, causing the entire project to become disorganized, which in turn makes it much more difficult for everyone to complete their functional roles. This "death spiral" of ERP project management is easily avoided by having separate project management functions and functional/

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technical functions on a project, with each supporting the other.

For organizations that don't have clear options within finance, human resources, or information technology to manage the project, there may be employees in other departments who would welcome a chance to take on this new role. GFOA has had experience working on projects where ERP project managers were successfully recruited from roles as budget analyst, capital project manager, program director, or procurement professional—and moving into a new role as ERP project manager can be a career-defining move. The most important quality in identifying a project manager is not similar past experience as a project manager, but the ability to solve problems, communicate effectively, build relationships and trust, bring order and organization to complex scenarios, and meet deadlines. More formal skills in project management can be taught.

Other organizations chose to look externally for an ERP project manager, and there are different options for this. Organizations can create a new position and recruit a new full-time or part-time employee to take on the role. While dedicated project managers may not be popular positions in government, it is an established profession, and project managers from other industries may find the role of ERP project manager attractive. While this role would be starting new with the organization, GFOA prefers having an actual, non-temporary employee manage the ERP project because of the consistency this individual can create across the project team, along with retaining knowledge and experiences, and working toward building a better organization for the future.

Some organizations have success with contracting for an external project manager. Several options exist, including hiring a project management-focused firm or hiring an individual in a contract role. While external consultants are often more experienced with ERP projects, they are also generally more limited in the functions they take on. External consultants are often unable to represent the organization or make decisions on behalf of the organization. While this can be made workable by pairing the consultant with internal resources to serve those functions, it does create some complexity, along with the need to manage another contract and relationship.

The primary downside to external consultants is that their duration on the project is limited, and the need for an ERP project manager often isn't. Even after go-live, the government will still need to maintain an ERP project manager; this person can use the experiences and skills they've learned on the project to manage support functions or future upgrade or enhancement projects. The experience a consultant gains walks out the door when a project ends.

Lastly, external consultants can be expensive. Hourly rates for project managers can be \$200 to \$300 per hour or more, which for the year could exceed \$500,000 and most likely make that role the most expensive resource for the entire organization. If the same funds were budgeted for a salary position, it's almost guaranteed that the organization would have no shortage of candidates looking to apply.

Governments can also look into hybrid options, complementing internal project management resources with other internal staff members or outside consultants to provide an optimal mix

of resources that are affordable and provide value to the project.

5 What skills are most important for a project manager?

Lists of desired skills for project management are available from many sources. For example, PMI publishes The Project Management Body of Knowledge, which provides recognized standards, guidelines, and best practices. PMI also maintains a certification program, the Project Management Professional, to recognize those individuals who have demonstrated competencies in project management by meeting experience and testing requirements.

In surveying GFOA members about what they would look for in a project manager, communication, meeting facilitation, planning, conflict resolution, problem solving, goal setting, and listening skills always rank high. GFOA education seminars on ERP projects describe the ideal characteristics of a project manager as being able to take on four personas throughout a project—every project manager must be part conductor, drill sergeant, naval captain, and lifeguard.

- **Project manager as a conductor.** A conductor's role is to create harmony among the teams that make up the orchestra. They play a critical role for the entire group to keep pace, manage resources, and ensure that all musicians (or in our case, stakeholders) are heard and at the right level. The conductor is also a very visible presence for both the musicians and the audience. They are viewed as leaders, but without technically contributing to the music that the orchestra makes.

ERP project managers are similar in that they work to ensure stakeholder participation, timely execution, and achievement of results, but they must also rely on subject matter experts to define policy, business process, and ERP software configurations.

- **Project manager as a drill sergeant.** Most people think of a military drill sergeant as a tough person who will hold others accountable. They exist to push their team and get the most out of every resource. While that is true, they also follow a very structured approach where communications are clear, expectations are known, and rules are followed. While project managers shouldn't be expected to act "tough" all of the time, sometimes these traits are needed.
- **Project manager as a naval captain.** When navigating the open seas, the captain must focus clearly on the destination and keep the ship pointed in the right direction. If adjustments are necessary, the captain is responsible for course corrections and steering away from trouble. At the same time, the captain shouldn't overreact. Making drastic turns is very difficult for a large ship and will kill any forward momentum. ERP project managers face similar situations. Once project goals are established, the project manager must keep the project moving forward despite the challenges that will inevitably occur.
- **Project manager as a lifeguard.** At the beach, the role of a lifeguard is to enforce rules, scan for risks, and be visible, alert, and ready to jump into action when necessary. Also, just like an ERP project manager, a lifeguard is at his or her best not when they are reacting to situations, but when they're proactively monitoring risks and addressing problem areas before they become life (or project) threatening. Beaches, just like ERP projects, involve risk. The intention is not to reduce risks to zero; it's to manage risks and become a trusted resource for the project. Knowing when to "blow the whistle" is an important skill for ERP project managers. Being

too lax with project rules or expectations will quickly create chaos, while too much enforcement will create incentives for stakeholders to try to avoid getting caught. When at their best, ERP project managers, like lifeguards, provide visible risk mitigation and ongoing monitoring of the project to ensure that the overall benefit exceeds any necessary risks along the way.

6 Who does the project manager report to in an enterprise project?

Governments generally organize staff in departmental silos, where all employees in a department eventually move to a department director position. Having a project manager embedded in this department hierarchy would work well if the project were contained within one department, but ERP projects are by definition "enterprise" projects that span the entire organization. Having a project manager formally associated with one stakeholder department and formally supervised by one director can be problematic.

GFOA advocates for establishing a formal ERP governance structure (see "Managing Both the Forest and the Trees" in the April 2025 issue of *GFR*). That governance structure should include a steering committee made up of leaders from across the organization to manage big-picture issues, along with a project team of functional and technical resources to focus on project details. If the project manager is then managing the enterprise project, they should formally report to the steering committee (or, as an alternative, the chair of the steering committee or project sponsor) and act as a bridge between the steering committee and project team. This ensures alignment with the entire ERP project.

When the ERP implementation project is complete, many project managers remain to manage the production system. Modern cloud ERP systems require ongoing upgrades, constant testing of new features, and continued refinement. Organizations also benefit from making full use of the software tools and often take on

many smaller projects after go-live to configure new functionality. For many organizations, the ERP steering committee lives on as well, providing overall direction and organizational leadership and support.

Conclusion

The role of the ERP project manager needs to strike a balance between tactical and strategic. Project managers need a mix of technical project management skills and the capability to build relationships. They must be visible but not overpowering, be a leader and take direction, enforce structure while being creative, and be able to communicate while also listening. It's a difficult assignment.

It's also a critical role for ERP project success, and organizations must take it seriously. Many organizations don't have a perfect candidate to slot into this role, but ERP project managers can be developed and can grow into the role, given support from leaders, trust from the organization, and a personal desire to take on what is likely one of the most important projects the organization will face in years.

They also need enough time to get acclimated. Postponing the decision to appoint a project manager is risky—in fact, staffing the project with the wrong project manager is usually better than neglecting the responsibility altogether. Moving forward with an ERP project without an ERP project manager is like an orchestra without a conductor, troops without a commanding officer, a ship without a captain, and a beach without a lifeguard. 🚫



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