

The New Operating Reality: Why ERP Ownership Matters More Than Ever in Private Equity Portfolios

The conversation in private equity has changed. Sponsors are spending less time on financial engineering and more time on operational execution—the kind that shows up in weekly metrics like close speed, cash visibility, and consistent reporting across portfolio companies. When hold periods stretch and exits become harder to predict, running the business with clarity matters more than perfecting the model.

This shift has a direct consequence: the systems that produce your numbers—especially ERP and finance systems—are now central to creating value. Yet in too many portfolios, ERP is still treated like a back-office IT project instead of the operating backbone that determines how quickly leadership can see what's happening, make decisions, and take action.

Integration Never Really Ends—And the ERP Is Often "Under-Owned"

Integration has become a constant reality. Add-ons keep coming. Carve-outs create messy separations and temporary service agreements. New revenue models add billing and recognition complexity. Every change increases the pressure on finance operations and the systems supporting them.

The pattern I see repeatedly isn't just "the ERP needs work." It's that the ERP is under-owned. Accountability is fragmented. Governance is inconsistent. The roadmap is reactive instead of strategic. Month-end close depends on heroic spreadsheet work. Intercompany logic gets patched together instead of properly designed. Reporting becomes a negotiation because definitions and data structures vary by entity. In that environment, integration timelines slip, and the operating model absorbs the cost.

This Is a Talent Problem—Not Just a Systems Problem

When ERP execution stalls, the first instinct is often to bring in a systems integrator or add another BI layer. Sometimes that's necessary. But portfolios consistently underestimate the core requirement: a credible internal owner who can translate sponsor priorities into weekly execution and coordinate finance, operations, and IT.

In NetSuite and Microsoft Dynamics environments especially, the same pain points surface over and over:

Month-end close stays manual, slow, and inconsistent. Multi-entity consolidation and intercompany remain fragile. Revenue recognition and billing complexity outgrow the current setup. Reporting gets delayed because integrations and data models are unstable. Post-acquisition integration takes longer than the deal team expected.

These aren't "tool" issues. They're ownership and leadership issues—made harder because the right people for this work combine deep functional expertise with the ability to operate inside PE constraints.

The PE Constraint Set Is Different: 90-Day Outcomes, Audit-Ready Execution

The operating environment inside PE-backed platforms is distinct. Timelines compress. Stakeholders multiply. Audit and controls matter immediately. And leadership needs results quickly—not an 18-month perfect-state architecture plan.

The profiles that consistently deliver results share four characteristics:

They prioritize 90-day outcomes over long-term roadmaps. They can run change management across finance, ops, and IT. They build audit-ready controls, role design, and documentation as they execute. They enable clean handoffs between integrators and internal teams.

This combination is uncommon. It's also increasingly valuable. The right ERP or finance systems leader can improve close speed, reduce working capital surprises, and standardize reporting in ways that directly influence operating decisions and lender confidence.

Specialized Recruiting Is Now Part of the Value-Creation Toolkit

As the market tightens, sponsors and operating teams are rethinking how they source this talent. Generalist hiring approaches struggle here because titles can be misleading and the variance in real capability is significant. Two candidates might both carry the title "NetSuite Lead" or "Dynamics Architect," but only one has repeatedly delivered under integration pressure with governance, controls, and cross-functional adoption.

Specialized recruiting adds value when it functions less like "filling a seat" and more like de-risking execution:

Calibrating the role to the deal reality—integration backlog, close pain, revenue complexity. Assessing whether a candidate has operated in high-pressure consulting

or transformation environments. Identifying who can own outcomes versus merely support a system. Moving quickly enough to capture the first 90 days of value creation.

This isn't about outsourcing judgment. It's about improving signal in a noisy market—where the cost of a mis-hire is measured in delayed integrations, extended TSAs, and operating decisions made on disputed data.

A Practical Takeaway for Sponsors and Portfolio Leaders

If integration and visibility are part of your thesis, treat ERP ownership like a Day 1 operating requirement—not a "post-close IT workstream." Ask early:

Who owns ERP outcomes across entities—and do they have decision rights? Is close speed and KPI reliability improving month over month? Are integrations standardized, or reinvented for each add-on? When the systems integrator leaves, is there real internal stewardship?

In a market where operational alpha matters more and time-to-liquidity is less predictable, the winners won't simply "implement systems." They'll build repeatable operating capability—and that starts with getting the right owner in the seat.

About the Author

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