

Project Stakeholders Management



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Project Stakeholders Management

Importance of Stakeholder Management

- Because stakeholder management is so important to project success, the Project Management Institute decided to create an entire knowledge area devoted to it in 2013
- The purpose of project stakeholder management is to identify all people or organizations affected by a project, to analyze stakeholder expectations, and to effectively engage stakeholders

Project Stakeholders Management

- Project Stakeholder Management includes the processes required to identify the people, groups, or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution.

Project Stakeholders Management Processes

The Project Stakeholder Management processes are:

- **Identify Stakeholders**—The process of identifying project stakeholders regularly and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.
- **Plan Stakeholder Engagement**—The process of developing approaches to involve project stakeholders based on their needs, expectation, interests, and potential impact on the project.
- **Manage Stakeholder Engagement**—The process of communicating and working with stakeholders to meet their needs and expectations, address issues, and foster appropriate stakeholder engagement involvement.
- **Monitor Stakeholder Engagement**—The process of monitoring project stakeholder relationships and tailoring strategies for engaging stakeholders through the modification of engagement strategies and plans.

Project Stakeholders Management Overview

Project Stakeholder Management Overview

13.1 Identify Stakeholders

- .1 Inputs
 - .1 Project charter
 - .2 Business documents
 - .3 Project management plan
 - .4 Project documents
 - .5 Agreements
 - .6 Enterprise environmental factors
 - .7 Organizational process assets
- .2 Tools & Techniques
 - .1 Expert judgment
 - .2 Data gathering
 - .3 Data analysis
 - .4 Data representation
 - .5 Meetings
- .3 Outputs
 - .1 Stakeholder register
 - .2 Change requests
 - .3 Project management plan updates
 - .4 Project documents updates

13.2 Plan Stakeholder Engagement

- .1 Inputs
 - .1 Project charter
 - .2 Project management plan
 - .3 Project documents
 - .4 Agreements
 - .5 Enterprise environmental factors
 - .6 Organizational process assets
- .2 Tools & Techniques
 - .1 Expert judgment
 - .2 Data gathering
 - .3 Data analysis
 - .4 Decision making
 - .5 Data representation
 - .6 Meetings
- .3 Outputs
 - .1 Stakeholder engagement plan

13.3 Manage Stakeholder Engagement

- .1 Inputs
 - .1 Project management plan
 - .2 Project documents
 - .3 Enterprise environmental factors
 - .4 Organizational process assets
- .2 Tools & Techniques
 - .1 Expert judgment
 - .2 Communication skills
 - .3 Interpersonal and team skills
 - .4 Ground rules
 - .5 Meetings
- .3 Outputs
 - .1 Change requests
 - .2 Project management plan updates
 - .3 Project documents updates

13.4 Monitor Stakeholder Engagement

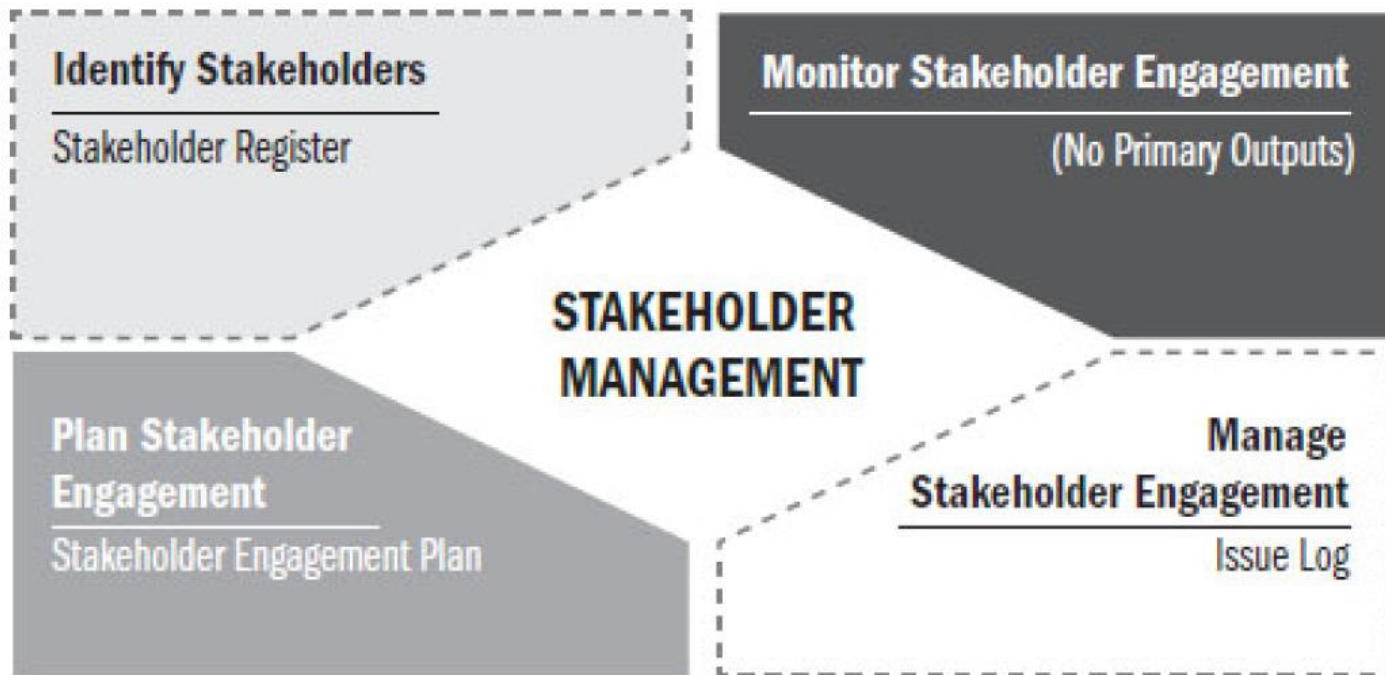
- .1 Inputs
 - .1 Project management plan
 - .2 Project documents
 - .3 Work performance data
 - .4 Enterprise environmental factors
 - .5 Organizational process assets
- .2 Tools & Techniques
 - .1 Data analysis
 - .2 Decision making
 - .3 Data representation
 - .4 Communication skills
 - .5 Interpersonal and team skills
 - .6 Meetings
- .3 Outputs
 - .1 Work performance information
 - .2 Change requests
 - .3 Project management plan updates
 - .4 Project documents updates

Project stakeholder Management

- Every project has stakeholders who are impacted by or can impact the project in a positive or negative way.
- Some stakeholders may have a limited ability to influence the project's work or outcomes; others may have significant influence on the project and its expected outcomes.
- Academic research and analyses of high-profile project disasters highlight the importance of a structured approach to the identification, prioritization, and engagement of all stakeholders.
- The ability of the project manager and team to correctly identify and engage all stakeholders in an appropriate way can mean the difference between project success and failure.
- To increase the chances of success, the process of stakeholder identification and engagement should commence as soon as possible after the project charter has been approved, the project manager has been assigned and the team begins to form.

Project stakeholder Management

- Stakeholder satisfaction should be identified and managed as a project objective.
- The key to effective stakeholder engagement is a focus on continuous communication with all stakeholders, including team members, to understand their needs and expectations, address issues as they occur, manage conflicting interests, and foster appropriate stakeholder engagement in project decisions and activities.



- The enterprise environmental factors that can influence the Identify Stakeholders process include but are not limited to:
- Organizational culture, political climate, and governance framework;
- Government or industry standards (regulations, product standards, and codes of conduct);
- Global, regional, or local trends and practices or habits; and
- Geographic distribution of facilities and resources.

Identifying Stakeholders

Internal project stakeholders generally include the project sponsor, project team, support staff, and internal customers for the project.

- Other internal stakeholders include top management, other functional managers, and other project managers because organizations have limited resources

External project stakeholders include the project's customers (if they are external to the organization), competitors, suppliers, and other external groups that are potentially involved in the project or affected by it, such as government officials and concerned citizens

Identifying Stakeholders

Peter Gilliland, a project management tutor and skills coach in the United Kingdom, offers an even more detailed list of potential stakeholders for a project, including:

- Program director and manager
- Project manager
- Sponsors
- Customers
- Labor unions
- Potential customers
- Competitors

It is also necessary to focus on stakeholders with the most direct ties to a project

Example: only key suppliers

Identifying Stakeholders

A stakeholder register includes basic information on stakeholders

- Identification information: stakeholders' names, positions, locations, roles in the project, and contact information
- Assessment information: stakeholders' major requirements and expectations, potential influences, and phases of the project in which stakeholders have the most interest
- Stakeholder classification: is the stakeholder internal or external to the organization? Is the stakeholder a supporter of the project or resistant to it?

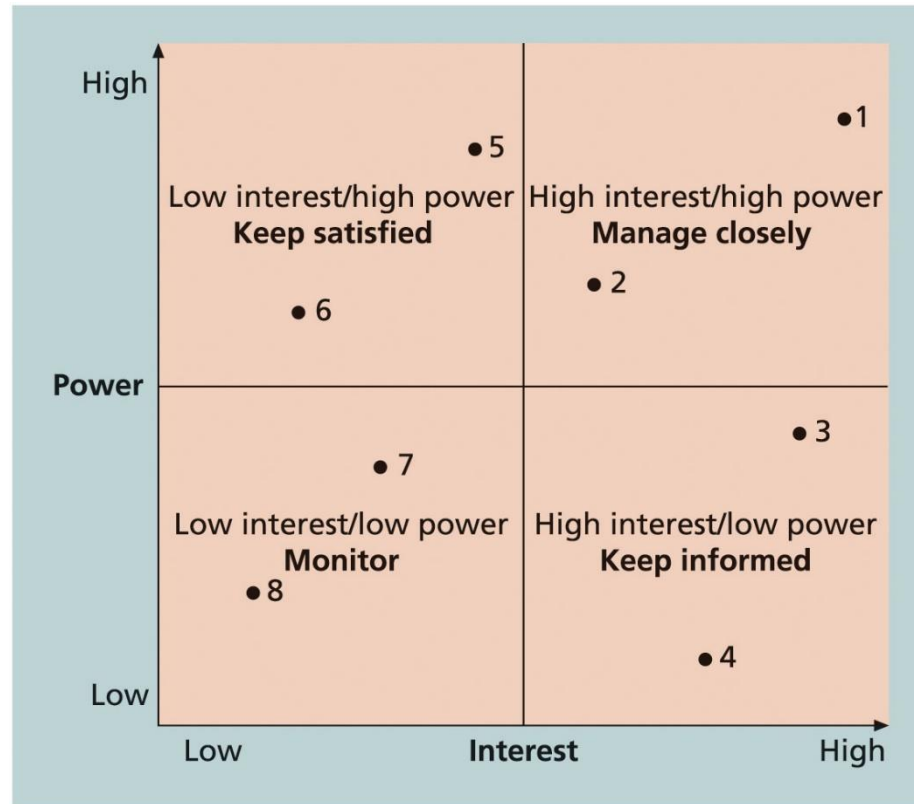
Name	Position	Internal/ External	Project Role	Contact Information
Stephen	VP of Operations	Internal	Project sponsor	stephen@globaloil.com
Betsy	CFO	Internal	Senior manager, approves funds	betsy@globaloil.com
Chien	CIO	Internal	Senior manager, PM's boss	chien@globaloil.com
Ryan	IT analyst	Internal	Team member	ryan@globaloil.com
Lori	Director, Accounting	Internal	Senior manager	lori@globaloil.com
Sanjay	Director, Refineries	Internal	Senior manager of largest refinery	sanjay@globaloil.com
Debra	Consultant	External	Project manager	debra@gmail.com
Suppliers	Suppliers	External	Supply software	suppliers@gmail.com

Sample stakeholder register

Identifying Stakeholders

- After identifying key project stakeholders, you can use different classification models to determine an approach for managing stakeholder relationships
- A power/interest grid can be used to group stakeholders based on their level of authority (power) and their level of concern (interest) for project outcomes

Identifying Stakeholders (6 of 7)



Source: Kathy Schwalbe, *An Introduction to Project Management*, Fourth Edition (2012)

FIGURE 13-2 Power/interest grid

Identifying Stakeholders

Stakeholder engagement levels

- **Unaware:** unaware of the project and its potential impacts on them
- **Resistant:** aware of the project yet resistant to change
- **Neutral:** aware of the project yet neither supportive nor resistant
- **Supportive:** aware of the project and supportive of change
- **Leading:** aware of the project and its potential impacts and actively engaged in helping it succeed

What Went Right?

Instead of just saying “no” when your project sponsor asks for something unreasonable, it is better to explain what is wrong with the request and then present a realistic way to solve the problem at hand

- Christa Ferguson, a PMP® and independent program manager in San Francisco, described how she handled a request from a project sponsor to deliver a new tablet device in two months when she knew she would need more time
- Based on her experience, she knew the RFQ for the effort alone would take almost a month
- Christa quickly researched the facts to propose a realistic delivery schedule
- The project sponsor reset expectations once he learned what it took to produce the tablets

Planning Stakeholder Management

After identifying and analyzing stakeholders, project teams should develop a plan for management them

- May be formal or informal, based on the needs of the project

The stakeholder management plan can include:

- Current and desired engagement levels
- Interrelationships between stakeholders
- Communication requirements
- Potential management strategies for each stakeholders
- Methods for updating the stakeholder management plan

Planning Stakeholder Management

Because a stakeholder management plan often includes sensitive information, it should not be part of the official project documents, which are normally available for all stakeholders to review

- In many cases, only project managers and a few other team members should prepare the stakeholder management plan
- Parts of the stakeholder management plan are not written down, and if they are, distribution is strictly limited

Managing Stakeholder Engagement

Project success is often measured in terms of customer/sponsor satisfaction

- Project sponsors often rank scope, time, and cost goals in order of importance and provide guidelines on how to balance the triple constraint
- This ranking can be shown in an expectations management matrix to help clarify expectations

Managing Stakeholder Engagement

Measure of Success	Priority	Expectations	Guidelines
Scope	1	The scope statement clearly defines mandatory requirements and optional requirements.	Focus on meeting mandatory requirements before considering optional ones. In this case, following corporate IT standards is optional.
Time	1	There is little give in the project completion date. The schedule is very realistic.	The project sponsor must be alerted if any issues might affect meeting schedule goals.
Cost	3	This project is crucial to the organization. If you can clearly justify the need for more funds, they can be made available.	There are strict rules for project expenditures and escalation procedures. Cost is very important, but it takes a back seat to meeting schedule and then scope goals.

Expectations management matrix

Managing Stakeholder Engagement

Understanding the stakeholders' expectations can help in managing issues

- Issues should be documented in an issue log, a tool used to document, monitor, and track issues that need resolution
- Unresolved issues can be a major source of conflict and result in stakeholder expectations not being met
- Issue logs can address other knowledge areas as well

Managing Stakeholder Engagement

Issue #	Description	Impact	Date Reported	Reported By	Assigned to	Priority (H/M/L)	Due Date	Status	Comments
1	Need requirements categorized As mandatory And optional	Cannot do much without it	Feb. 4	Ryan	Stephen	H	Feb. 8	Closed	Requirements Clearly labeled
2	Need shorter list of potential suppliers —no more than 10	Will delay evaluation without it	Feb. 6	Debra	Ryan	H	Feb. 12	Open	Almost finished; needed requirements categorized first
Etc.									

Sample issue log

Best Practice

Project managers are often faced with challenges, especially in managing stakeholders

- Sometimes they simply cannot meet requests from important stakeholders

Suggestions for handling these situations

- Be clear from the start
- Explain the consequences
- Have a contingency plan
- Avoid surprises
- Take a stand

Monitoring Stakeholder Engagement

You cannot control stakeholders, but you can control their level of engagement

Engagement involves a dialogue in which people seek understanding and solutions to issues of mutual concern

Many teachers are familiar with various techniques for engaging students

It is important to set the proper tone at the start of a project

Using Software in Stakeholder Management

- Productivity software like word processors, spreadsheets, and presentation software can aid in creating various documents related to stakeholder management
- Communications software like e-mail, blogs, websites, texts, and tweets can aid in stakeholder communications
- Collaboration tools like Google docs, wikis, and virtual meeting software can also promote stakeholder engagement in projects

Using Software in Project Stakeholder Management

Social media can also help engage stakeholders

- LinkedIn has thousands of groups for project management professionals
- Some project management software includes functionality like Facebook's to encourage relationship building on projects, like giving high fives for a job well done

It is crucial that project managers and their teams focus on monitoring stakeholder engagement to meet their needs and expectations, not to show off the latest technology

- A lot of stakeholder engagement requires old-fashioned techniques like talking to someone

Global Issues

Not all software implementations go well, and managing stakeholders is a major challenge

- The U.K. government scrapped its £11.4 billion national healthcare initiative in September 2011 after it failed to deliver the promised benefits
 - Unfortunately, this project was just one in a series of high-profile failures in the U.K.
- In response, the government decided to send its project managers back to school
 - They partnered with the University of Oxford and the Deloitte consulting firm to establish the Major Projects Leadership Academy in Oxford, England
 - Currently, 300 people are categorized as major project leaders in the British government
 - The academy enrolls over 100 major project leaders each year

Agile/Adaptive Environments

It is important to understand and involve key stakeholders on all projects

- The nature of agile/adaptive projects, however, does often require more stakeholder involvement and faster decision making
- Product owners create the backlog for each iteration, thereby ensuring that their priorities are clear

Posting project artifacts in a public space can be done on agile and non-agile projects

Based on the sensitivity of the information and type of project

Thank You