

Project Stakeholder Management

Chapter 13 in the PMBOK® Guide 5th Edition

Carrying out a project as planned is not a guarantee for success. Projects may fail because the PM/project team did not take the requirements, wishes & concerns of stakeholders sufficiently into account. Project Stakeholders are people with a multitude of interests, expectations, & demands as to what business should provide to society. These Stakeholders may be individual persons or organizations (e.g., customers, sponsors, the performing organization, or the public), who are actively involved in the project or whose interests (perceived stakes) may be positively or negatively affected by the performance or completion of the project. They could act against the project if their needs are not considered!!



Origins of the Stakeholder Concept

What is a stake?

A share, interest in a business, situation, or system

A stake can be categorized as:

An Interest

A Right

Ownership



Legal

Moral

Please see Slides 16
thru-19 of the lecture
on Chapter 2 please

Who is a stakeholder?

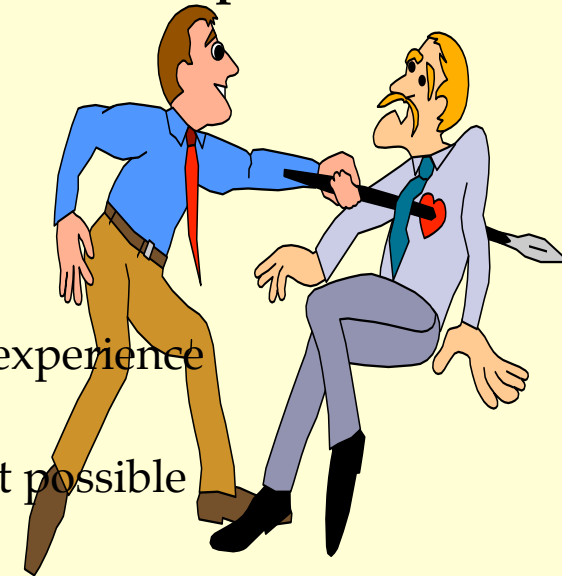
An individual who possesses a stake

- Remember that stakeholders probably have extensive experience
- Listen to their concerns
- Understand the concerns & ally their fears to the extent possible

Who is a project stakeholder?

Project stakeholders are those entities within or outside an organization who:

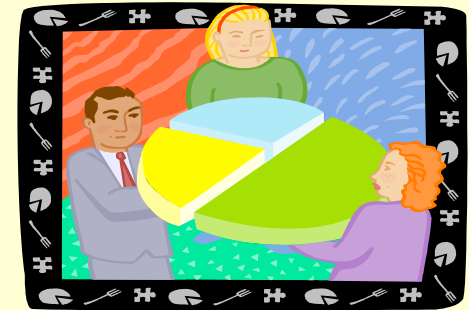
- XXXXX
- XXXXX (a direct or indirect gain or loss) upon a successful completion of a project
- Have a XXXXX



Key Questions In Stakeholder Management

1. Who are our stakeholders?
2. What are our stakeholders' stakes?
3. What opportunities & challenges do these stakes and stakeholders present?
4. What economic, legal, ethical, & philanthropic responsibilities does our firm have?
5. What strategies or actions should our firm take to best manage stakeholder challenges and opportunities?

See: Handout - Stakeholder Relationships - Keys to a Sustainable Enterprise



Each relationship is an intangible asset of the business. As any accountant will tell you, assets can either appreciate or depreciate or hold their value. By effectively managing relationships with increasing the opportunities and lowering the risk for each relationship, a company can enhance the quality of its intangible assets and therefore increase the overall valuation of the business.

3. What Opportunities & Challenges Do Stakeholders Present?

Factors Affecting Potential For Stakeholder Threat and Cooperation	Increase or Decrease in Stakeholder's Potential for Threat	Increase or Decrease in Stakeholder's Potential for Cooperation
Stakeholder controls key resources (needed by the organization)	Increases	Increases
Stakeholder does not controls key resources	Decreases	Either
Stakeholder more powerful than the organization	Increases	Either
Stakeholder less powerful than the organization	Either	Either
Stakeholder likely to take action (supportive of the organization)	Decreases	Increases
Stakeholder likely to take non-supportive action	Decreases	Increases
Stakeholder unlikely to take any action	Increases	Decreases
Stakeholder likely to form coalition with other stakeholders	Decreases	Decreases
Stakeholder likely to form coalition with our organization	Decreases	Increases
Stakeholder likely to form coalition with another organization	Increases	Decreases



Strategies for "Types of Stakeholders"

Stakeholder's Potential for Threat to Our Organization
Low High

Stakeholder Type 2 <i>Supportive</i> Strategy: <i>Involve</i>	Stakeholder Type 1 <i>Mixed Blessing</i> Strategy: <i>Collaborate</i>
Stakeholder Type 4 <i>Marginal</i> Strategy: <i>Monitor</i>	Stakeholder Type 3 <i>Non-supportive</i> Strategy: <i>Defend</i>

High

Stakeholder's Potential for Cooperation With Our Organization

Low

- Stakeholders are people, and would naturally represent both opportunities & challenges to the project
- Problematic and cooperative stakeholders can switch sides easily as the project progresses - **avoid taking people for granted or being naive here!**
 - Opportunities are a set of circumstances to build good productive working relationships with the stakeholders
 - Challenges are representative of situational tests which requires the firm to **creatively handle everyone & everything professionally and ethically**

Identify Stakeholders

A Proactive Relationships Management Exercise

- Identify Stakeholders to figure out
 - ➔ What each stakeholder wants from the project?
 - ➔ The significance of the stakeholder to the project!
- Prioritize the Stakeholders to
 - ➔ Assess and rate the individual stakeholder's perceived powers, proximity & priorities/urgency
 - ➔ Produce an index list (stakeholder register) based on the result of this assessment to indicate stakeholder priority
- Maintain the engagement by via a concerted Stakeholder Management Strategy that seeks to increase support and minimize the negative impacts of stakeholders during the lifecycle of the project
 - ➔ Identifying the appropriate focus for each stakeholder or group of stakeholders
 - ➔ Converting the resulting messages into action
 - Study *PMBOK® Guide* pages 395 - 398
- Continuously maintain updated stakeholders profiles
 - ➔ Respond to environmental project/community changes to update stakeholder assessment to optimize management

See 2 Templates here

1. Handout - Stakeholder Register cum Analysis Template
2. Handout - Stakeholder Analysis

Methods for Identifying Stakeholders

See page 5 in :PMP Examination Content Outline_2010.ashx.pdf

Method	Description
Engaging Experts	There are always key people who are in a good position to identify _____. Consider approaching _____ to do this for you.
Self-Selection	Invite potential stakeholders to join in the dialogue through _____. This is a good tool to demonstrate how you have provided potential stakeholders with an opportunity to _____. May not be relevant for all project scenarios.
Engaging Other Stakeholders	Similar to “engaging experts” you will find that the stakeholders themselves may have a unique perspective on who else should be considered as a stakeholders. It’s important to realize that this opinion comes with baggage and _____ opposed to stakeholders with a different opinion/perspective.
Written Reports / Data	You can find stakeholders by researching _____ developed by business or _____ advocacy groups. _____ Stakeholder Registers.
Oral History	The oral traditions of _____ may help you identify other key stakeholders. Take the time to listen and ask question to elaborate on the key players in a major event.

Plan Stakeholder Management

- Plan Stakeholder Management identifies how the project will affect stakeholders and creating a means of maintaining important relationship inside and outside the team to:
 - ➔ Identify stakeholders
 - ➔ Mobilize stakeholders
 - ➔ Analyzing stakeholders
- Requires the PM to develop various ways to effectively engage stakeholders in the project
 - ➔ To manage their _____, and
 - ➔ To ultimately achieve _____
- This document contains _____ on how effective stakeholder management can be _____
- As the project progresses, the membership _____ iterative process that is reviewed on a regular basis by the PM

STAKEHOLDER ANALYSIS & COMMUNICATION PLAN										
		Stakeholder Analysis				Communications Planning				
Name	Power Source	Positive Affects	Negative Affects	Current Attitude	Desired Attitude	Objectives	Key Messages	Strategy	Start Time	Spokesperson

Every project may not need _____, mobilizing the important individuals is a key factor for success for every project.

Having a solution in place to improve _____ is only half of what is necessary.

The other half is ensuring that _____ and sustaining the gains far beyond the immediate project.

Stakeholder Analysis

- Stakeholder Management Planning is often assisted by the previous process (Identify Stakeholders), where a stakeholder analysis would have naturally ensued!
- This stakeholder analysis should document important (often sensitive) information about stakeholders such as:

➔ xxx

➔ xxx

➔ xxx

➔ xxx

➔ xx

➔ xx

➔ x

See next slide
for a Sample

The Stakeholder Engagement Process

Stakeholder engagement involves a number of interconnected activities. These activities must be accomplished & managed while project work progresses

Stakeholder Engagement / Management means managing the expectations of all the project stakeholders

Many project managers remark, after a discussion about stakeholders, that they now understand why their project was not completely successful:

- * They had failed to identify and / or learn about their stakeholders - to manage them effectively or
- * They failed to meet their expectations or to keep them properly informed about the project



Please Learn more from handout :XXXX - Neat Stakeholder Mgmt. Discussion.ppt

Manage Stakeholder Engagement - T & Ts

- The **Methods Of Communication** identified for each stakeholder in the Communications Management Plan are utilized during this process

➔ Based on the stakeholders' communication requirements, the PM decides _____ in the project

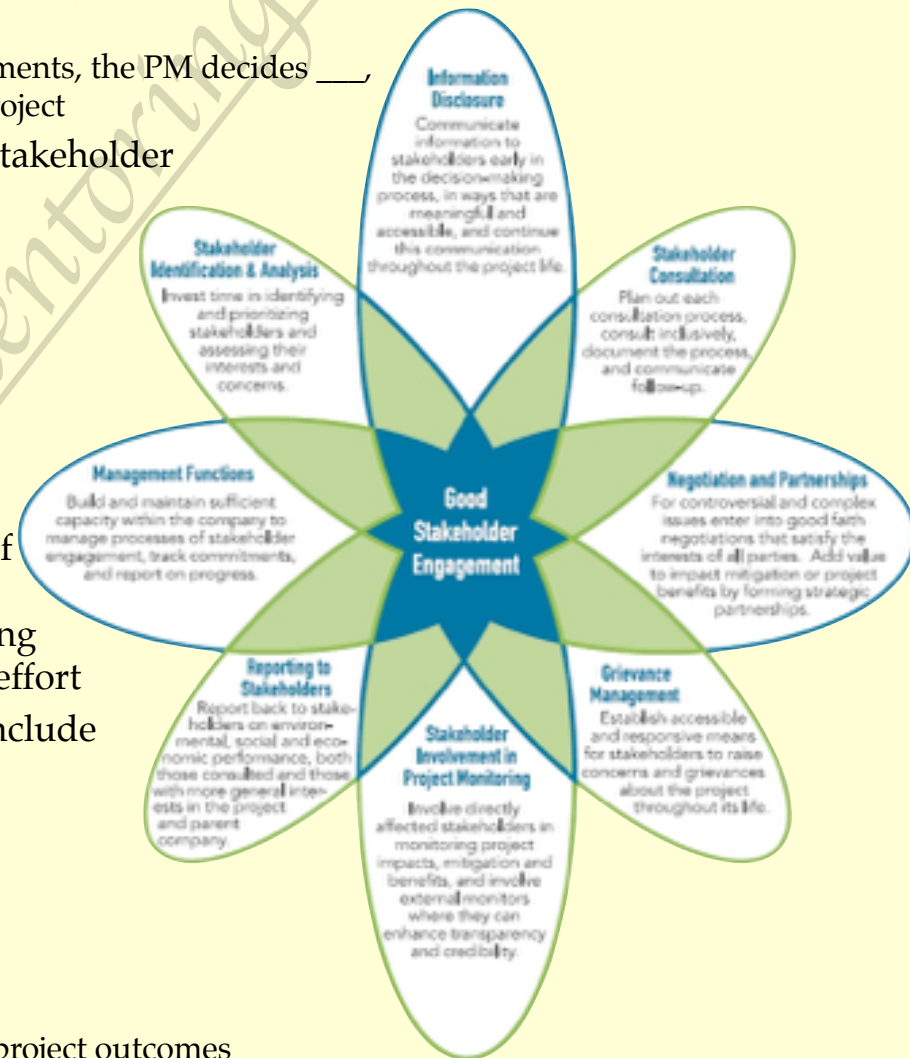
- The appropriate **Interpersonal Skills** to manage stakeholder expectations include:

- ➔ Building _____
- ➔ Resolving _____
- ➔ Active listening
- ➔ Influencing _____
- ➔ Overcoming _____ to change
✓ More information on interpersonal skills is found _____

- **Management Acumen & Skills**, includes the art of directing & controlling a group of people for the _____ coordinating and harmonizing _____ a goal beyond the scope of individual effort

- Management skills used by the project manager include but are not limited to:

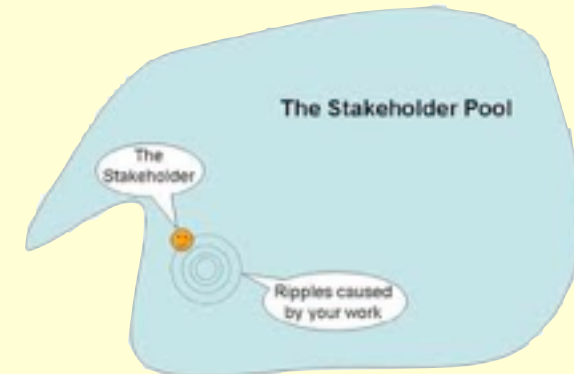
- ➔ _____ speaking
- ➔ Facilitating consensus toward _____ objectives
- ➔ Presentation and writing skills
- ➔ Influencing people to _____ the project
- ➔ Negotiating _____ to satisfy the project needs
- ➔ Modify organizational _____ to _____ the project outcomes



Manage Stakeholder Engagement - Outputs

- An **Issue Log** contains a list of ongoing and closed issues of the project
 - ➔ While issue logs can be viewed as a way to track errors in the project, the ____ it plays often extends further than ____ a simple list
 - ✓ _____
 - ✓ May also contain _____ found in current deliverables
 - ➔ In large projects, issues are usually managed by issue tracking software that can provide _____
- Managing a stakeholder engagement may result in necessary **Change Requests** to _____
 - ➔ It may also _____ with the impacted stakeholders, as appropriate
- This process has the potential to incorporate and manage necessary **updates** to the _____ management plan portion of the _____ Management Plan & the **Stakeholder Register**
- The **OPAs** that may be **updated** include, but are not limited to:
 - ➔ Stakeholder notifications
 - ➔ Project reports
 - ➔ Project presentations
 - ➔ Project records
 - ➔ Feedback from stakeholders
 - ➔ Lessons learned documentation

See details on page _____
of the *PMBOK® Guide*



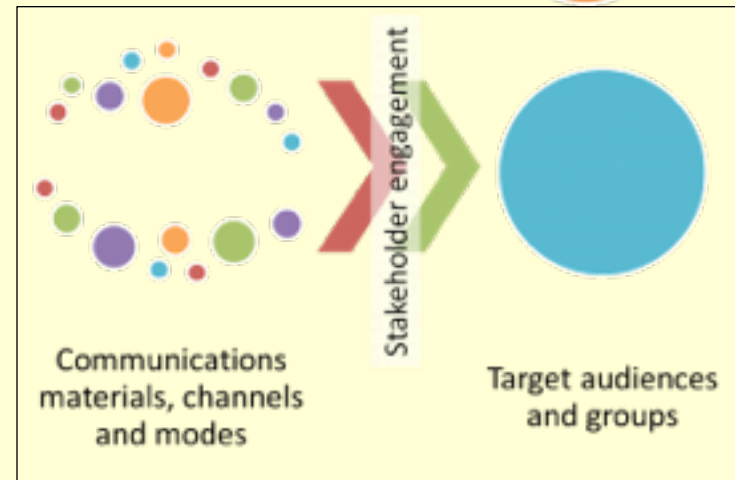
Control Stakeholder Engagement

- Control Stakeholder Engagement is the process of monitoring overall project stakeholder relationships and _____ strategies and plans for engaging stakeholders to reflect the _____ in the project
 - ➔ _____
 - ➔ _____
 - ➔ It is important here that the PM identify with stakeholders which elements or policies cannot be changed, so they do not think that they have been misled or their consultative views have been worthless
 - ➔ The ideal responses here would be to provide complete, coherent & consistent responses to all significant issues identified during the engagement and communicate with stakeholders on how they will be managed
 - ✓ In practice this will not _____
 - ✓ It is also not often feasible that _____ be made public
 - ➔ Engagement is a two way activity, and if stakeholders invest time and other resources to enable us to improve our project delivery, and we wish them to continue to do so, it is reasonable to respond to that input
 - ✓ Where possible stakeholders should be informed of the impact of their contribution, if only in a generic way
 - ➔ All information gained from the consultation should be _____
 - ➔ Periodically, and especially following major engagements, the PM should _____, and if needed _____, stakeholder maps, _____, objectives and scope, _____ and _____
 - ✓ Even though measuring performance in stakeholder engagement is difficult _____
 - ✓ The PM needs to decide _____
 - ✓ If the outcome is less than satisfactory _____



Control Stakeholder Engagement - Inputs

- The **Project Management Plan** (in the section addressing stakeholder management) would detail the information that can be used to control the stakeholder engagement - e.g.:
 - ➔ The life cycle selected for the project and the processes that will be applied to each phase;
 - ➔ How work will be executed to accomplish the project objectives;
 - ➔ How human resources requirements will be met, how roles and responsibilities, reporting relationships, and staffing management will be addressed and structured for the project;
 - ➔ A change management plan that documents how changes will be monitored and controlled
 - ➔ Needs and techniques for communication among stakeholders
- During the Execution and Control phase of the project, technical and managerial issues will need to be logged and tracked to closure in the **Issue Log**
- The **Work Performance Data** are the various measurements on project activities and deliverables that are collected during various controlling processes within the project - Stakeholders are concerned about the **“Results that relate to their Stakes & Expectations”**
 - ➔ This is project performance reality for them
- Several **Project Documents** may be used as supporting inputs for controlling stakeholder engagement including:
 - ➔ The Project schedule
 - ➔ The Stakeholder register
 - ➔ The Issue log
 - ➔ The Change log
 - ➔ Formal and documented project communications.



Real-time Expectation Management 😊 !!

Recommended reading: Handout – 3 Short Essays on Managing Stakeholder Expectations



Finally, it is crucial to develop a strategy to change a stakeholder's position if it is neutral or negative

- A neutral position can be tolerated - BUT FENCE SITTERS ARE A THREAT!
 - Certainly better if all stakeholders support the project unconditionally
 - May be this stakeholder really doesn't have a stake so strong that he/she would potentially sabotage the project
- A stakeholder with a negative bias is another thing altogether
 - At the very minimum, that stakeholder will not support efforts to complete the project and
 - In a worst case scenario, he/she will actively lobby to kill the project

Lessons Learned From Stakeholder Management

Learn more @: _____

- Pictures & images are extremely important, with people even ignoring the words they hear, so we should use more visual-aids when _____ our project stakeholders
- Stakeholder expectations _____ can be very high
 - ➔ Stakeholder management alone won't help if the system keeps breaking down!
 - ➔ A reminder that we do need to take great care with the technical implementation of our projects
- When the benefits are clear to everyone, a simple communication exercise is all _____
- Get all stakeholders involved as soon as possible with your project design, as they might have concerns that never occurred to _____
- To help all Project Managers, here are some of the strange behaviors you might see during the course of any project endeavor
- Knowing about these effects will help us to understand & manage the expectations of our project stakeholders:
 - 1.The Endowment Effect
People attach a higher value to things they own. _____
 - 2.Confirmation Bias
People will search for or interpret information in a way that _____
 - 3.The Bandwagon Effect
Doing things because others do them. Ever been waiting to cross the road at a 'red' pedestrian crossing and then seen 5 other people stride into the road?
Seeing other people taking action seems to give us permission to _____ instead of waiting for the 'green' light.
 - 4.Framing Problems
Presenting the same data in different ways leads people to make different conclusions. We also assume other people see things _____