ADM Project Consultants

Stakeholder Management in a complex world

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Objectives of todays webinar

1. Understand the rationale underpinning the need for stakeholder management in projects, programmes and portfolios.

2. Understand a technique to support stakeholder management in projects, programmes and portfolios

3. To present a systematic approach to the identification, analysis, engagement and management of stakeholders which can improve project, programme and portfolio performance

Definitions

- **Project -** collection of activities managed in a systematic way to achieve a desired outcome/output
- **Programme -** collection of related projects when integrated together result in a desired outcome/output
- **Portfolio -** collection of unrelated projects/programmes, usually within a domain/business area, which have no direct dependencies on each other
- **Stakeholders -** all those claimants inside and outside the project who have a vested interest in the problem and its solution, they can make, break or shake a project
- **Stakeholder planning -** focuses on collaborating with stakeholders at the right level of engagement and can change throughout the life of a project
- **Power -** Influence a stakeholder has to affect what happens (actions that will affect the outcome)
- **Interest -** stake a stakeholder has in the situation (prefers some outcomes over others)

# Beyond the Iron Triangle & Project Complexity

Iron Triangle

- Model of constraints between scope, time and cost which can be traded and will affect quality
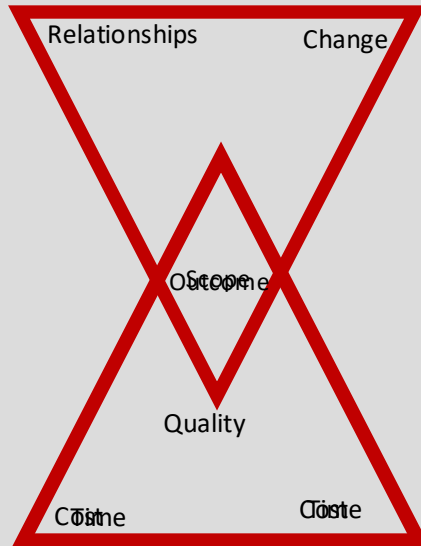
Complex Project

- Characterised by uncertainty, ambiguity, dynamic interfaces, significant political or external influence

- Runs over a period exceeding the technology cycle time of the technologies used

- Defined by effect, but not by solution

- Multiple competing stakeholders various geographical locations

- Non deterministic
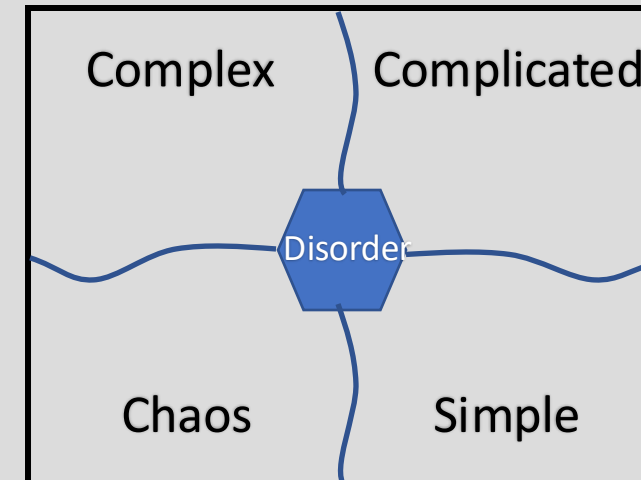
Cynefin Framework

Stakeholder Management Steps

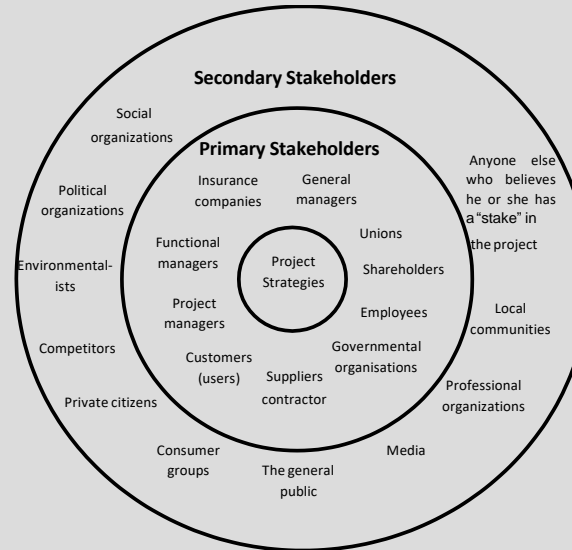**1** Stakeholder Identification

2 Primary & Secondary stakeholders

3 Identify Stakeholders names or roles

STAKEHOLDER GROUPS with names or roles
(Below: Indicative only)

Local LT	P&C	Function	Suppliers	Gov't	Other
P. Pie	Director	HoD	MD	HoD	J. Jones
B. Ofo	Engineer	PM	B. Smith		

Identify Primary & secondary stakeholders

Primary:
- Directly impact project
- Legally Binding contract
- Involved from start to finish

Secondary:
- Interest in the project
- No legal contract

Map stakeholders as entities:
- Business units
- Functions,
- Customers or functions
- Groups

Identifies top level organisations or agencies that interact with the project
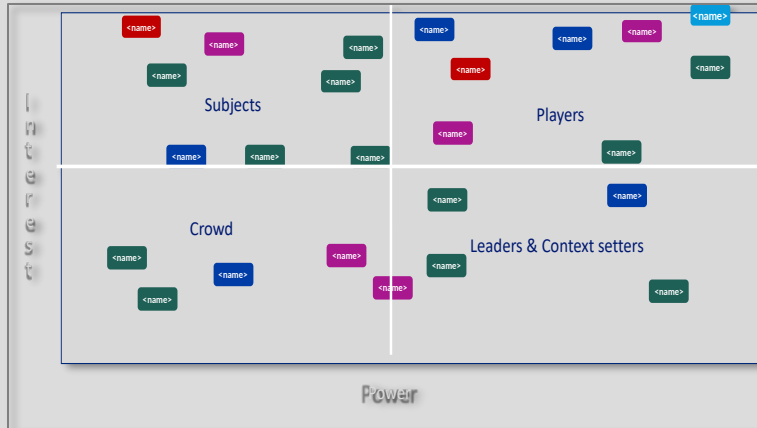
Identify Stakeholders from 1 or 2
- Identify names or roles
- Organisation (if unclear)

Repeat until the list is exhausted, where little is known about stakeholder leave as an entity.

Stakeholder Management Steps

| 4 | **Power Interest grid** |

| 5 | **Actor Influence Diagram** |

| 6 | **Stakeholder strategy** |

Stakeholders	Move to	Power/Interest	Actions	Frequency	Lead
1. Sponsor	Keep in place	Can 'sabotage' and prevent project happening, once project mobilizes have high interest in success	• Engage as early as possible • Keep in close contact inform of progress • Reduce power of 'sabotage' and replace with high interest in project success.	Weekly	Project Manger
2. Supplier a	Leaders & context setters	Can delay design causing project to slip inro Q1 2023	• Create tight 'design' working group to ensure timely delivery of detailed design • Launch workshop between all parties • Weekly meeting between suppliers	Monthly	Project Team
3. Other Partners	Leaders & context setters	Can delay and contracts leading causing project slip	• Regular formal reviews • Keep all informed of progress via regular emails/calls to inform them of progress • Monthly catch up with all parties separately	Monthly	CEO/COO -
4. Media	Crowd	Provide negative publicity	• Respond promptly to any questions/queries • Invite to functions	Stakeholder dependent	Project Team
5. Local residents & MP	Crowd	Can petition against project diverting time and energy	• Keep informed of progress via social media and visits as necessary	Stakeholder dependent	Project Team Comms
6. End users	Keep in pace	Can delay acceptance	• Respond promptly to any questions/queries	Monthly	Project Team

Place identified stakeholders within power interest grid in the 4 quadrants:

Subjects: High interest in the project but with little power to influence it

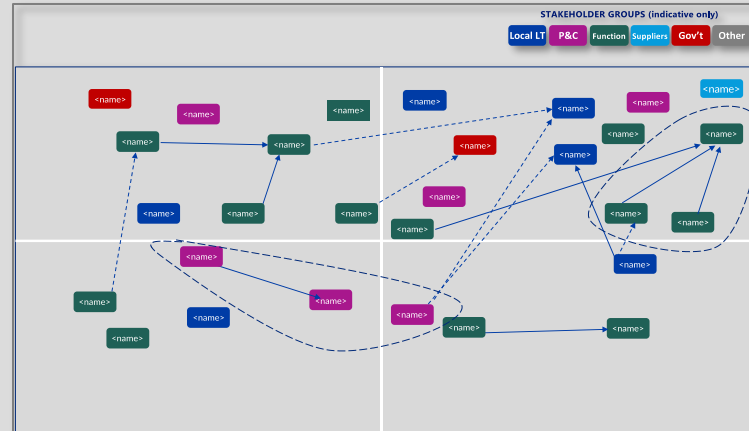Players: High degree of power to support or sabotage the project

Crowd: Neither interested in the project nor yield power

Leaders & Context setters: High degree of power over future or project

Move around in relationship to one another

Identify links between stakeholders:

Formal – Hierarchical, reports into, same organisation – link via solid lines

Informal – social, friendship, previous organisation – link via dotted lines

Uni-directional or bi-directional

Group - if common characteristics

Analyse Network

Identify stakeholders with many links in

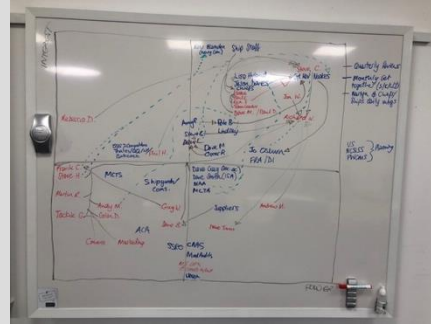Identify stakeholders with many links out

Group common stakeholders
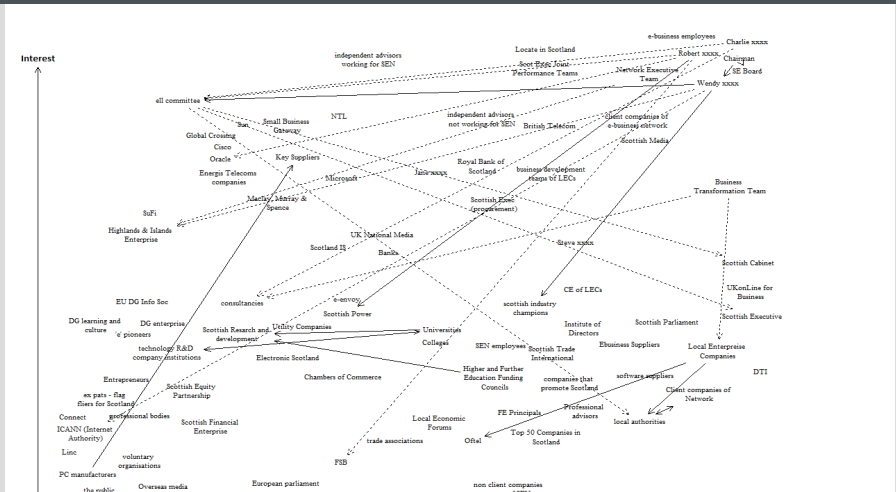
Identify preferred quadrants with action plan to move

Create a strategy to manage stakeholders with objectives, actions, approach, outcomes

Review throughout project for success

11

Stakeholder Strategy
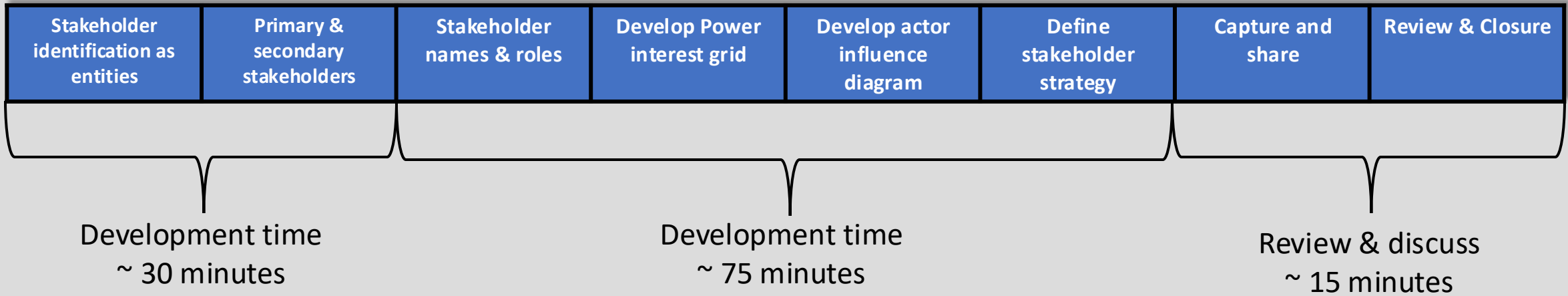

Low Tech examples

High Tech examples

Complex projects have large numbers of stakeholders and it can become bewildering

- Disaggregate ie separate out at the appropriate level
- Determine which stakeholders must be prioritised
- Define the strategy
  - Look at grouping and relationships
    - Could the project benefit from managing a key stakeholder via a subordinate or via an informal relationship
  - Imagine what aspirations or goals the stakeholders may have
  - Who would be best to interface with the stakeholder
  - What communications will work best, F2F, video, email, call
  - What is their target quadrant
- Standard techniques include:
  - Players – provide sustained management attention
  - Subjects – Encourage coalitions & groups to increase power
  - Leaders/context setters – Increase awareness of the project
  - Crowd – Minimal effort but monitor for change
- Remember the power interest grid is like a chess board, where stakeholders move in relation to each and some can be removed from the 'game' altogether

Stakeholder Strategy

| Stakeholders	Move to	Power/Interest	Objective	Actions	Frequency	Lead
Sponsor	Keep in place	Can 'sabotage' and prevent project happening, once project mobilizes have high interest in success	• Deepen understanding • Leverage to sell story, get others on board • Support	• Engage as early as possible • Keep in close contact inform of progress • Reduce power of 'sabotage' and replace with high interest in project success.	Weekly	Project Manger
Supplier A	Leaders & context setters	Can delay delivery causing project to slip inro Q1 2023	• Understand questions and uncertainties • Provide knowledge and context to keep aligned	• Create tight working group to ensure timely delivery throughout project • Weekly meeting between suppliers • Praise and provide positive publicity	Monthly	Project Team
Partners	Leaders & context setters	Can delay resources and deliveries leading to project slip	• Understand needs and motivations • Provide understanding and value in delivery	• Regular formal reviews • Keep all informed of progress via regular emails/calls to inform them of progress • Monthly catch up with all parties separately	Monthly	CEO/COO -
Media	Crowd	Provide negative publicity	• Keep aligned • Use positively	• Respond promptly to any questions/queries • Invite to functions	Stakeholder dependent	Project Team
Local residents & MP	Crowd	Can petition against project diverting time and energy	• Make them feel involved • Project Champion • Make them look good	• Keep informed of progress via social media and visits as necessary	Stakeholder dependent	Project Team Comms
End users	Keep in place	Can delay acceptance	• Provide value • Make them want more	• Respond promptly to any questions/queries • Monthly catch up with all parties separately	Monthly	Project Team

Stakeholder Management Steps

Stakeholder identification as entities	Primary & secondary stakeholders	Stakeholder names & roles	Develop Power interest grid	Develop actor influence diagram	Define stakeholder strategy	Capture and share	Review & Closure

Development time
~ 30 minutes

Development time
~ 75 minutes

Review & discuss
~ 15 minutes

Please remember:

- Allow up to 2 hours of uninterrupted time
- Outline why stakeholders are critical to project success
- Run through activity and definitions
- Provide white board & post-its or suitable online tool
- Ask questions, listen, reflect and repeat process as necessary
- Remember, there is no right or wrong answer
- Mobile phones off or outside room

Three outputs of Stakeholder Planning

1 | **Stakeholder Power/Interest Grid**

2 | **Stakeholder Actor/Influence Network**
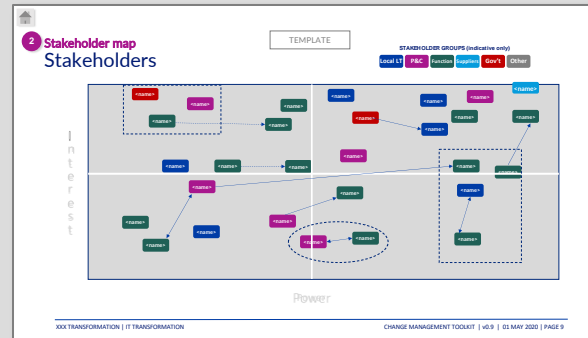
3 | **Stakeholder strategy**
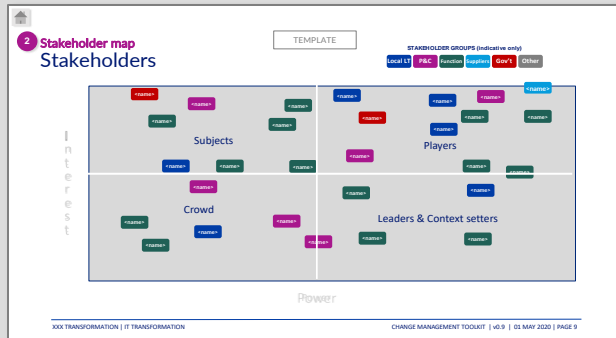
Stakeholder power interest grid provides a visual view of all stakeholders on a single page, for regular review and management by a team. Each stakeholder is:

- Positioned (power * Interest) in relation to others
- Placed into one of 4 quadrants to allow analysis and structured approach

Stakeholder actor/influence network provides a visual view of the relationship between stakeholders, whether hierarchical, formal or informal. It enables :

- Analysis of relationships
- Identification of key influencers
- Analysis of allies
- Conduit across the network

Stakeholder strategy is a simple plan for moving an individual stakeholder/ stakeholder group from one position on the map, to another position, through specific actions and engagement.

The strategy is developed on a single page (using simple generic strategies) by the person in the team accountable for managing that stakeholder.

It is dynamic and changes as the project progresses

STAKEHOLDERS - FAQS

Q: Why do we need to manage our stakeholders
➢ It helps with the competing demands being made on projects.
➢ Recognises and enables management of the interactions between stakeholders
➢ Acknowledges influence Internal and External stakeholders can have on projects
➢ Increases the likelihood of project success and realisation of aspirations
➢ Do not have unlimited resources for interacting with stakeholders and must decide how to spend time and resources to ensure project success'

Q: At what point in the lifecycle do we engage with stakeholders
➢ From opportunity identification to project closure and beyond (if necessary)
➢ Stakeholders will change as will their interest and power throughout the project lifecycle

Q: What happened if we ignore stakeholders
➢ Projects that ignore stakeholders, often fail and don't deliver their benefits
➢ Can impact future aspirations and cause reputational damage

Q: How often should the project review their stakeholders and strategy
➢ Part of BAU

Q: I have hundreds of stakeholders - at what depth should I stop the actor influence diagram
➢ If there are so many stakeholders, then they should be categorized and apportioned to work packages and the person responsible.
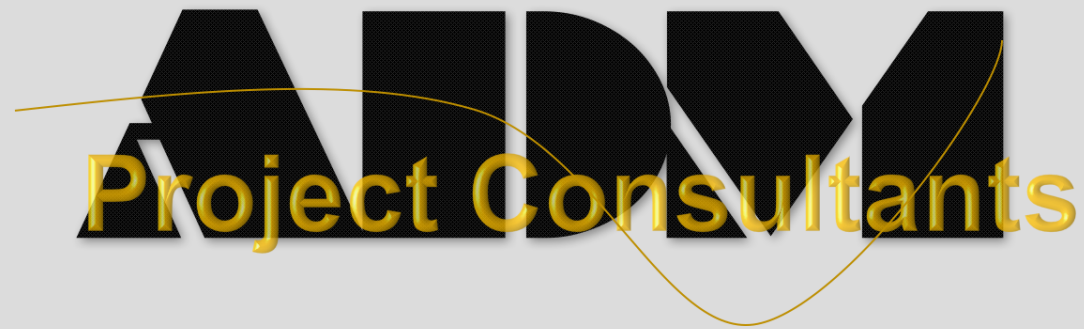
Q: This looks like a dark art to me, does it really work
➢ It works for all project types, industrial sectors and international projects. It is now a key element of PM training and part of MBA courses at Manchester & Cranfield and mandated competency for APM Chartership

Summary

- Management of stakeholders, the people who can make or break your projects is a must for todays project manager and can contribute to improved project, programme portfolio performance in terms of schedule, cost and quality
- Stakeholder management Provides both an analytical and social focus
- The process is best undertaken with a team or team of teams
- It will take a couple of hours to develop a complete overview and the strategy may need to be revisited several times
- The power interest grid and actor influence diagram are dynamic like a chess board and players may move in relation to one another
- There is no right or wrong answer and it is your current perspective that should be recorded
- Remember we do not have unlimited time and resources and so must carefully decide how to spend the time and resources available for the best outcome
- Stakeholder strategy should be reviewed for changes in expectations as part of BAU
- Never forget: this process is useless if you get all the way to creating a strategy but don't carry it out.
- Remember, if you try to please everyone, and you will please no one
- Read Aesops Fable 'The Old Man, the boy and the donkey' and its moral and think about stakeholders

Any Questions?

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