



## **STAKEHOLDER MANAGEMENT**

### **Principles of stakeholder management**

#### **What is stakeholder management?**

Stakeholder management is defined as the management of relationships with individuals or groups. It is a planned approach to engage stakeholders (i.e., project team, end-users, business process owners, managers and executives) in the project's success. The purpose of initiating stakeholder management is to measure the influence of stakeholders on project performance.

#### **Who is a stakeholder?**

A stakeholder is an individual, multiple or diverse groups who may exert influence over a project and its results. It includes people who are actively involved in the project and those individuals and groups whose interests may be positively or negatively influenced as a result of the project execution or project completion.

#### **Achieving your desired results**

What impact does stakeholder management have over the success of a project? Projects that secure top-down management support are more than likely to meet or exceed project objectives. It can often times mean the ability to secure needed project resources, enhance a poor project perception or simply achieve your project's desired results. Executives are important stakeholders as they provide the necessary leadership and resources to help make the project successful. Stakeholder management controls business owner resistance and helps in securing critical resources from executives. As part of your stakeholder management program, you will want to provide opportunities for involvement, instill ownership over project actions and outcomes.

How stakeholder management helps you succeed with executives and end-users:

#### **Executives:**

- Provides the needed leadership, resources, staff and funding for project success.
- Secures visible supporters of the project and the changes.
- Reinforces the reason for change throughout the organization.
- Communicates expected outcomes.

#### **End-users:**

- Understand why the change is happening now and the risk of not changing.
- Accept new change.
- Understand what the change means to each individual.
- Willing to learn new skills or ways of performing job.

Overall, positive and mutually supportive stakeholders contribute to long-term project management success.

### **Examples of potential stakeholders**

Stakeholders should include: people performing the work that is being changed, management, team implementing the change. See the below examples:

- |   |                        |
|---|------------------------|
| • Executive team                                    | • Customers            |
| • Officers  | • Suppliers            |
| • Managing directors                                | • Project team         |
| • Managing directors and supervisors                | • Shareholders         |
| • Employees   | • Retirees             |
| • Exempt employees                                  | • Media                |
| • Non-exempt employees                              | • Affected Communities |
| • Union leadership                                  |                        |
| • External audiences (media, shareowners, analysts) |                        |

### **Key stakeholder management principles for project managers**

1. Identify, acknowledge and continually be aware of all legitimate stakeholders, their interests and decision-making.
2. Listen to and openly communicate with stakeholders about their respective concerns, contributions and risks that they assume because of their involvement with the project.
3. Adopt modes of behavior and processes that are sensitive to the concerns and capabilities of each stakeholder constituency.
4. Recognize the efforts among stakeholders.

### **Conducting a Stakeholder Analysis**

The first step of stakeholder management is to develop an awareness of the multiple and diverse stakeholders, an understanding of their involvement and interest in the project. By performing a stakeholder analysis you can identify all relevant

stakeholders, e.g., employees, team members, executives, managers, business partners, shareholders and customers. By documenting and categorizing the nature of involvement and measuring each individual or groups' interest, you can gain an accurate understanding of the context and culture, issues and questions, potential resistance or barriers and any other needs and concerns.

As each stakeholder is profiled, you will also be laying the groundwork for project communications. Profiling helps in defining stakeholder expectations at each stage of the project, where they are and how to reach them.

You can also begin to identify the key individuals who have the power to make changes and influencers who can manage expectations and identify implementation/change risks.

### **Step One: Stakeholder profiling includes:**

1. Identify stakeholders .
2. Identify potential change sponsors, advocates and “grass roots” level change resources.
3. Identify stakeholder issues and concerns.
4. Assess stakeholder readiness.
5. Determine the gap between current skill sets and the future skill set requirements.
6. Identify new concepts that need to be understood and adopted.
7. Identify concepts that need to be redefined or unlearned.
8. Number of people with access to the new technology.
9. Level of coverage to support the deployment of end-user training.

### **Step Two: Identify Stakeholder communication needs**

1. Project approach and time line.
2. Project milestones.
3. High-level tasks, responsibilities and deliverables.

### **Step Three: Develop Your Strategy**

1. Identify stakeholders.
2. Conduct stakeholder assessment.

3. Develop a stakeholder structure, based on size, scope of project.
4. Engage executive management in the project to ensure strong and consistent involvement to ensure resources and leadership in place.
5. Provide a forum for end-users to have input.
6. Continually provide progress reports, opportunities for input and buy-in from high impact stakeholders.