Stakeholder Management

WHAT ?

Stakeholder Management refers to a set of activities to engage, develop and maintain effective working relationships with the 'Stakeholders' of your project.

Your stakeholders are individuals or groups (internal or external) :

- *Whose attitude & actions have an impact on your project*
- *That will be impacted by the project*

In order to develop your Stakeholder Approach you need to :

- Identify your stakeholders - Clarify the stake - Assess their current position – perception – motivation towards the project	**Stakeholder Analysis**
- Define your objectives per 'stakeholder group' - Define & implement the 'involvement strategy' towards each of the stakeholder groups	**Stakeholder Relation Management**

WHY ?

The ultimate goal of project stakeholder management is to 'enable' project success. Success of a project can be seen as an 'onion' and in each onion peal other stakeholders might be of influence :

- *On time & on budget*
- *Technical Quality*
- *Operational Performance (after implementation in the permanent organization)*
- *Business Value*
- *Organization Development (work differently, competency enhancement, …)*

A lever for success is the **'engagement'** of the stakeholders into the objectives of the project.

WHEN ?

"START EARLY & NEVER STOP"

Stakeholder Analysis needs to be done in the very early stages of the project in order to :

- *Understand the stakeholder complexity (which is part of feasibility of any project)*
- *Involve the right people in the 'discovery' phase (and start clarifying their role and position)*
- *Build support for the problem, challenge or opportunity the project was set up for.*

And it never stops because :

- *Stakes and positions of stakeholders change over the course of the project (so you need to adapt the involvement strategy)*
- *New stakeholders might enter the scene*

In terms of timing, you need to build up the 'relationship' months before you actually 'need' the engagement of your stakeholders. In the early phases of the project, you could consider that you do not need the 'operational stakeholders', because they only come into play during the implementation. WRONG!!!

For two reasons : first because you might need their experience and expertise in order to 'assess' the different options or solutions. Secondly, if they hear from the project the day you actually need them, you probably will meet a lot of resistance. People need time to adhere to the project, so you need to involve them and listen to them earlier on.

PROCESS ?
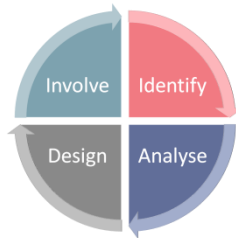
Stakeholder Relation Management is a lot more then Communication. Communication in itself does not create 'engagement'. You need to 'INVOLVE' people in a process where they themselves analyze the issues, look at the alternatives, assess the impact and co-decide on the course of action. That builds energy and prevents people from switching into reverse gear (resistance).

Stakeholder Relation Management is not a purely rational process, based on facts & figures. Next to 'rational understanding of the issues' other things are important :

- *The feeling to be heard and respected for one's professional opinion*
- *The feeling to participate in the decisions, to keep control over the situation (and not depend on the outcome of a process you're not part of)*

IDENTIFY

Your initial 'identification' of possible stakeholders & understanding of the stake (in both directions) will emerge from two lead questions :

- *Who **is affected by** or has a vested interest in your project within and outside your organization ? Think in terms of improved performance, lowered costs, support for certain strategic objectives, improving safety, changing processes, changing work organization, changing reporting structures, changing power & responsibility, changing product specification, changing supplier requirements, changing competencies to operate it, …*
- *Who **is affecting or influencing** your project ? Think in terms of decision power, access to funding & resources, access to information, expertise, experience, manpower. Think also in terms of rules & regulations, impact on the local community, opinion makers within and outside the organization.*


ANALYZE

STEP ONE is to answer the question "How instrumental is the support of the stakeholder for the success of my project, how much power do they have over it and how big is the 'interest' of my stakeholder in the project ?"

Once you have an understanding of that stake, and the risks it entails for your project, you can 'map' your stakeholders in terms of the POWER they have over the project and on the other hand in terms of the INTEREST they have in the project.

The stakeholders that fall into the category "High Power / High Interest" are the most crucial one's to look at when defining your 'involvement strategy'.
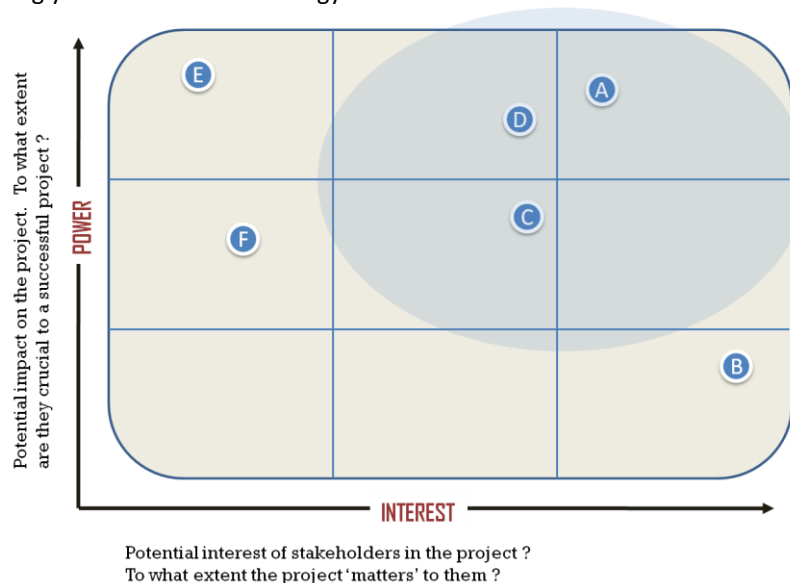
STEP TWO deals with what position the stakeholder takes in relationship to the project. That position is of course not 'stable' but changes and due to successful stakeholder relation management, hopefully into the right direction.

A way to map the 'position' of stakeholders is to look at the level of agreement they are in with the 'next step' in the project (ex : the decision to take next) and to what extent you can really count on them when you ask for their support, contribution, etc… (or do they walk away from it when push comes to shuffle?)

The general 'objective' is to maximize 'engagement' of all those stakeholders that are crucial for the success of the project (positive contribution) or who have the power to block that success (negative contribution).

However, do not mix-up 'critical' stakeholders with 'negative' stakeholders. Stakeholders who ask difficult questions are very much 'engaged' and therefore in principle 'ALLIES'. Don't forget : **the objective is not 'getting it your way' but 'enabling success for the business through your project'**. The project is a means to an end and not an end in itself. In that sense 'opponents' are very useful stakeholders.

DESIGN
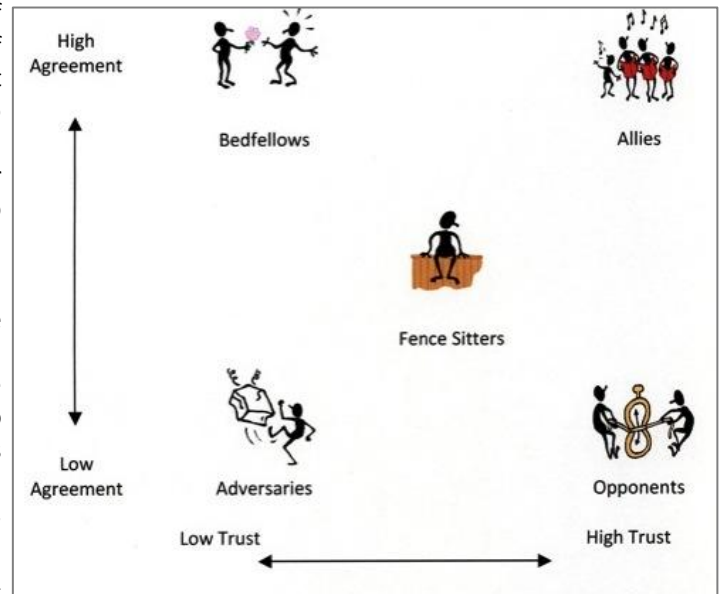
Each project and each 'stakeholdermap' is different and an involvement strategy always needs to be customized. To a large extent, you will contract on how stakeholders will be involved, with the stakeholders themselves. Your involvement strategy is 'translated' into the RASCI template. (Responsible, Accountable, Support, Consulted & Informed)

In general terms you can start from this 'model'. Be aware that in each of the quadrants you might have 'different' stakeholder positions.
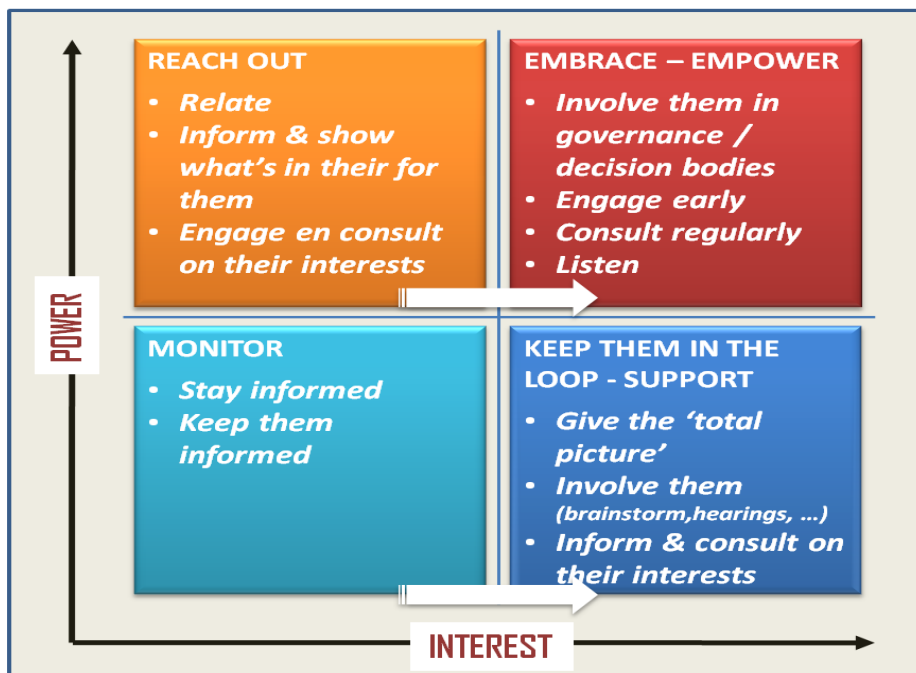
Stakeholder identification, analysis, strategy design and the actual involvement of stakeholders are not four separate consecutive steps. In order to analyze a stakeholders' stake and position you will already have to meet with them and by doing that you are effectively engaging and involving them. Information of one stakeholder might also lead to identification of others. The four steps are not a linear, but a re-iterative process.

These three relatively simple methodologies, create some level of involvement. The choice depends on your objective, the 'bargaining power' of the stakeholder (power & interest) and where it is positioned in the life of the project. They can ofcourse be used in combination with each other.

What ?	When & How to use ?	Pro's & Con's
FOCUS GROUPS ▪ Small Groups (6 - 10) ▪ Takes 2 to 3 hours ▪ Facilitated ▪ Participants engage in interaction ▪ Different methods apply (FFA, SWOT, RCFA, Ishikawa, Brainstorming, Meta-planning, Mind-mapping, scenario planning, …)	▪ Many stakeholders, divers & heterogeneous ▪ Possibly different experiences, viewpoints, … ▪ Perception more important than facts ▪ Trust building is important ▪ They have influence as a group ▪ To trigger creative or controversial ideas or opinions ▪ To have an insight in how those people work together	▪ Richer info, more nuances, opposing positions and standpoints ▪ Polarizes less because stakeholders actually discuss their points of view ▪ It creates involvement (amongst them) and rapport with the facilitator ▪ It creates visibility for the project in the organization ▪ Much info in a small time frame ▪ Info is more difficult to capture and structure ▪ The results might be confusing ▪ Risk that a few dominant players 'color' the info ▪ Not necessarily representative for the whole population ▪ Facilitator risk to 'influence' (suggest answers)
INTERVIEWS ▪ One-on-One ▪ It is prepared in advance (theme's, questions, structure, …) ▪ You can ask the stakeholder to prepare (by reading something, or by questionnaire, …)	▪ Specific expertise and authority ▪ Direct power and influence on decision making ▪ Your 'gateway' into the organization (in some cases) ▪ Recognition (status, image) is important	▪ You can go more in detail / depth ▪ Creates personal involvement and ownership ▪ More difficult to challenge ▪ Depends very much on the interviewer & interview skills ▪ Is NOT representative ▪ Takes time (preparation & processing) ▪ Interview + taking notes is complicated
INFO SPREAD ▪ Info meetings ▪ Newsletters ▪ Intranet ▪ E-mailings	▪ Disseminate information ▪ For large groups ▪ To keep people informed	▪ Relatively easy to do ▪ You can reach large audiences ▪ It is mainly 'one way' communication ▪ It's passive, creates often fence sitters and bedfellows, seldom allies. ▪ It gets lost in the 'information overload' ▪ It's 'one size fits all' ▪ Information as such does not create involvement and engagement

Move! Organizational Learning Bankstraat 27, B – 3000 Leuven

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