



MONASH University

Information Technology

FIT2002

IT Project Management

Lecture 9

Project Communication and
Stakeholder Management

Video 1:

Learning Objectives

- Understand the importance of good communications on projects and the need to develop soft skills, especially for IT project managers and their teams
- Review key concepts related to communications
- Explain the elements of planning project communications and how to create a communications management plan

Importance of Good Communications

- The greatest threat to many projects is a failure to communicate
- Crucial for project managers and their teams to make good communications a priority
- Research shows that IT professionals must be able to communicate effectively and strong verbal and non-technical skills are a key factor in career advancement to succeed in their positions
- For projects to be successful, every project team member needs both technical as well as soft skills

Project Communications Management Processes

- **Planning communications management:** Determining the information and communications needs of the stakeholders
- **Managing communications:** Creating, distributing, storing, retrieving, and disposing of project communications based on the communications management plan
- **Controlling communications:** Monitoring and controlling project communications to ensure that stakeholder communication needs are met

Project Communications Management

Planning

Process: **Plan communications management**

Outputs: Communications management plan, project documents updates

Executing

Process: **Manage communications**

Outputs: Project communications, project documents updates, project management plan updates, and organizational process assets updates

Monitoring and Controlling

Process: **Control communications**

Outputs: Work performance information, change requests, project documents updates, and organizational process assets updates

Project Start

Project Finish

Keys to Good Communications

Project managers spend as much as 90 percent of their time communicating

- Need to focus on group and individual communication needs
- Use formal and informal methods for communicating
- Distribute important information in an effective and timely manner
- Set the stage for communicating bad news
- Determine the number of communication channels

Focusing on Group and Individual Communication Needs

- Understanding individual and group preferences for communications is crucial
- Personal preferences affect communication needs
- Personality differences can lead to miscommunication – seek first to understand...before you can truly communicate
- Receiver may not interpret a message exactly as the sender intended
- Geographic location and cultural background affect the complexity of project communications
 - Different working hours
 - Language barriers
 - Different cultural norms

Formal And Informal Methods for Communicating

- Different people respond positively to different levels or types of communication – formal or informal
- Communicating includes many different dimensions such as writing, speaking, and listening
- Encouraging More Face-to-Face Interactions. Research has indicated that in a face-to-face interaction:
 - 58% of communication is through body language.
 - 35% of communication is through how the words are said
 - 7% of communication is through the content or words that are spoken
- Short, frequent meetings are often very effective in IT projects
- Stand-up meetings force people to focus on what they really need to communicate

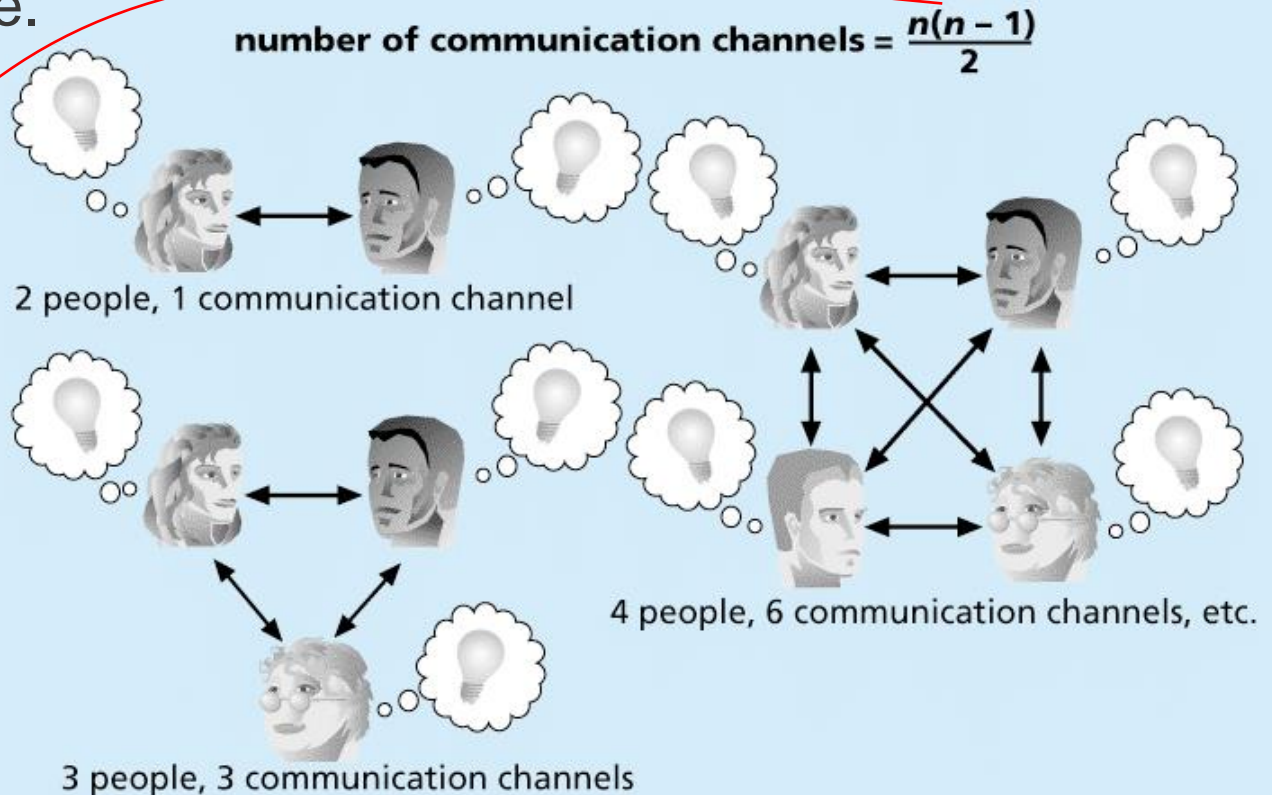
Distribute Information in an Effective and Timely Manner

- Important to include detailed technical information that affects critical performance
- Don't bury crucial information
- Don't be afraid to report bad information
- Oral communication via meetings and informal talks helps bring important information—good and bad—out into the open
- Important that information about the project is disseminated to the right recipient at the right time using the right mode.

Communications Channels

- As the number of people involved increases, the complexity of communications increases because there are more communications channels or pathways through which people can communicate.

where n is the number of people involved



Planning Communications Management

- Every project should include some type of **communications management** plan, a document that guides project communications
- The communications management plan varies with the needs of the project, but some type of written plan should always be prepared
- For small projects, the communications management plan can be part of the team contract
- For large projects, it should be a separate document

Communications Management Plan Contents

1. Stakeholder communications requirements
2. Information to be communicated, including format, content, and level of detail
3. Who will receive the information and who will produce it
4. Suggested methods or technologies for conveying the information
5. Frequency of communication
6. Escalation procedures for resolving issues
7. Revision procedures for updating the communications management plan
8. A glossary of common terminology

<http://www.projectmanagementdocs.com/project-planning-templates/communications-management-plan.html>

Sample Stakeholder Analysis for Project Communications

Stakeholders	Document Name	Document Format	Contact Person	Due
Customer management	Monthly status report	Hard copy and meeting	Tina Erndt, Tom Silva	First of month
Customer business staff	Monthly status report	Hard copy	Julie Grant, Sergey Cristobal	First of month
Customer technical staff	Monthly status report	E-mail	Li Chau, Nancy Michaels	First of month
Internal management	Monthly status report	Hard copy and meeting	Bob Thomson	First of month
Internal business and technical staff	Monthly status report	Intranet	Angie Liu	First of month
Training subcontractor	Training plan	Hard copy	Jonathan Kraus	November 1
Software subcontractor	Software implementation plan	E-mail	Najwa Gates	June 1

Video 2:

Learning Objectives

- Describe how to manage communications, including communication technologies, media, and performance reporting
- Discuss methods for controlling communications to ensure that information needs are met throughout the life of the project
- List various methods for improving project communications, such as running effective meetings, using various technologies effectively, and using templates

Managing Communications

- Managing communications is a large part of a project manager's job
- The Stakeholder communications analysis is a good starting point
- Getting project information to the right people at the right time and in a useful format is just as important as developing the information in the first place
- Important considerations include the use of technology, the appropriate methods and media to use, and performance reporting

Classifications for Communication Methods

- *Interactive communication*: Two or more people interact to exchange information via meetings, phone calls, or video conferencing. Most effective way to ensure common understanding
- *Push communication*: Information is sent or pushed to recipients without their request via reports, e-mails, faxes, voice mails, and other means. Ensures that the information is distributed, but does not ensure that it was received or understood
- *Pull communication*: Information is sent to recipients at their request via Web sites, bulletin boards, e-learning, knowledge repositories like blogs, and other means

Media Choice Table

KEY: 1 = EXCELLENT	2 = ADEQUATE		3 = INAPPROPRIATE			
HOW WELL MEDIUM IS SUITED TO:	HARD COPY	TELEPHONE CALL	VOICE MAIL	E-MAIL	MEETING	WEB SITE
Assessing commitment	3	2	3	3	1	3
Building consensus	3	2	3	3	1	3
Mediating a conflict	3	2	3	3	1	3
Resolving a misunderstanding	3	1	3	3	2	3
Addressing negative behavior	3	2	3	2	1	3
Expressing support/appreciation	1	2	2	1	2	3
Encouraging creative thinking	2	3	3	1	3	3
Making an ironic statement	3	2	2	3	1	3
Conveying a reference document	1	3	3	3	3	1
Reinforcing one's authority	1	2	3	3	1	2
Providing a permanent record	1	3	3	1	3	1
Maintaining confidentiality	2	1	2	3	1	3
Conveying simple information	3	2	1	1	2	3
Asking an informational question	3	2	1	1	3	3
Making a simple request	3	3	1	1	3	3
Giving complex instructions	3	3	3	2	1	2
Addressing many people	2	3	3 or 1*	2	3	1

Galati, Tess. Email Composition and Communication (EmC2) Practical Communications, Inc. (www.pracom.com) (2001).

*Depends on system functionality

Reporting Performance

Performance reporting keeps stakeholders informed about how resources are being used to achieve project objectives

- **Status reports** describe where the project stands at a specific point in time
- **Progress reports** describe what the project team has accomplished during a certain period of time
- **Forecasts** predict future project status and progress based on past information and trends

Controlling Communications

- The main goal of controlling communications is to ensure the optimal flow of information throughout the entire project life cycle
- Various reporting systems, expert judgment, and meetings are used to assess how well communications are working.
- May require changes to the earlier processes of planning and managing project communications if any problems exist.
- Can use an external facilitator to assess how well communications are working

Suggestions for Improving Project Communications

- Develop better communication skills
- Run effective meetings
- Use e-mail and other technologies effectively
- Use templates for project communications

Developing Better Communication Skills

- Most companies spend a lot of money on technical training for their employees, even when employees might benefit more from communications training
- Individual employees are also more likely to enroll voluntarily in classes to learn the latest technology than in classes that develop soft skills
- As organisations become more global, they realize they must invest in ways to improve communication with people from different countries and cultures
- It takes leadership to improve communication

Running Effective Meetings

- Determine if a meeting can be avoided
- Define the purpose and intended outcome of the meeting
- Determine who should attend the meeting
- Provide an agenda to participants before the meeting
- Prepare handouts and visual aids, and make logistical arrangements ahead of time
- Run the meeting professionally
- Set the ground rules for the meeting
- Build relationships

Sample Collaborative Tools

- Make sure that e-mail, instant messaging, texting, or collaborative tools are an appropriate medium for what you want to communicate
- A **SharePoint portal** allows users to create custom Web sites to access documents and applications stored on shared devices
- **Google Docs** allow users to create, share, and edit documents, spreadsheets, and presentations online
- A **wiki** is a Web site designed to enable anyone who accesses it to contribute or modify Web page content

Using Templates for Project Communications

- Many technical people are afraid to ask for help
- Providing examples and templates for project communications saves time and money
- Organisations can develop their own templates, use some provided by outside organisations, or use samples from textbooks
- Research shows that companies that excel in project management make effective use of templates

Lessons Learned Reports

- The project manager and project team members should each prepare a **lessons-learned report**
 - A reflective statement that documents important things an individual learned from working on the project
 - provide valuable reflections on what worked and what did not
- The project manager often combines information from all of the lessons-learned reports into a project summary report
- Excellent resource that can help future projects run more smoothly

Project Archives and Software to Assist in Project Communications

- **Project archives** are a complete set of organized project records that provide an accurate history of the project
- These archives can provide valuable information for future projects as well
- Many project teams create a project Web site to store important product documents and other information
- Enterprise management software includes new capabilities to enhance virtual communications
- Several project management tools can be used on multiple devices

Video 3:

Learning Objectives

- Understand the importance of project stakeholder management throughout the life of a project
- Discuss the process of identifying stakeholders, how to create a stakeholder register, and how to perform a stakeholder analysis

Importance of Project 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 as part of the Fifth Edition of the PMBOK® Guide in 2013
- The purpose of project stakeholder management is to identify all people or organisations affected by a project, to analyse stakeholder expectations, and to effectively engage stakeholders

Projects Often Cause Change

- Projects often cause changes in organisations, and some people may lose their jobs when a project is completed.
- Project managers might be viewed as enemies if the project resulted in job losses for some stakeholders
- By contrast, they could be viewed as allies if they lead a project that helps increase profits, produce new jobs, or increase pay for certain stakeholders
- In any case, project managers must learn to identify, understand, and work with a variety of stakeholders

Situations That Lead to Project Sabotage

- Changing the way work is done can send a shock wave through an organisation, leaving many people afraid and even thinking about ways to stop or sabotage a project
- Donald White, founder and program manager at Defense Systems Leaders in Washington, D.C., described situations that can lead to project sabotage:
 - Buy-in blues
 - Short-term profits
 - Overachieving
 - Lack of respect

Project Stakeholder Management Processes

- **Identifying stakeholders:** Identifying everyone involved in the project or affected by it, and determining the best ways to manage relationships with them.
- **Planning stakeholder management:** Determining strategies to effectively engage stakeholders
- **Managing stakeholder engagement:** Communicating and working with project stakeholders to satisfy their needs and expectations, resolving issues, and fostering engagement in project decisions and activities
- **Controlling stakeholder engagement:** Monitoring stakeholder relationships and adjusting plans and strategies for engaging stakeholders as needed

Project Stakeholder Management Summary

Initiating

Process: **Identify stakeholders**

Outputs: Stakeholder register

Planning

Process: **Plan stakeholder management**

Outputs: Stakeholder management plan, project documents updates

Executing

Process: **Manage stakeholder engagement**

Outputs: Issue log, change requests, project management plan updates, project documents updates, organizational process assets updates

Monitoring and Controlling

Process: **Control stakeholder engagement**

Outputs: Work performance information, change requests, project documents updates, organizational process assets updates

Project Start

Project Finish

Identifying Stakeholders

- *PMBOK® Guide definition: “Project stakeholders are individuals, groups, or organisations who may **affect, be affected** by, or perceive themselves to be affected by a decision, activity, or outcome of a project.”*
- **Internal project stakeholders:** 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 organisations have limited resources
- **External project stakeholders:** include the project’s customers (if they are external to the organisation), competitors, suppliers, and other external groups that are potentially involved in the project or affected by it, such as government officials and concerned citizens

Additional Stakeholders

- www.projectstakeholder.com lists other stakeholders including:
 - Program director
 - Project manager's family
 - Labor unions
 - Potential customers
- It is also necessary to focus on stakeholders with the most direct ties to a project, for example only key suppliers

Stakeholder Register

- A stakeholder register includes basic information on stakeholders:
 - **Identification information:** The stakeholders' names, positions, locations, roles in the project, and contact information
 - **Assessment information:** The 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 organisation? Is the stakeholder a supporter of the project or resistant to it?

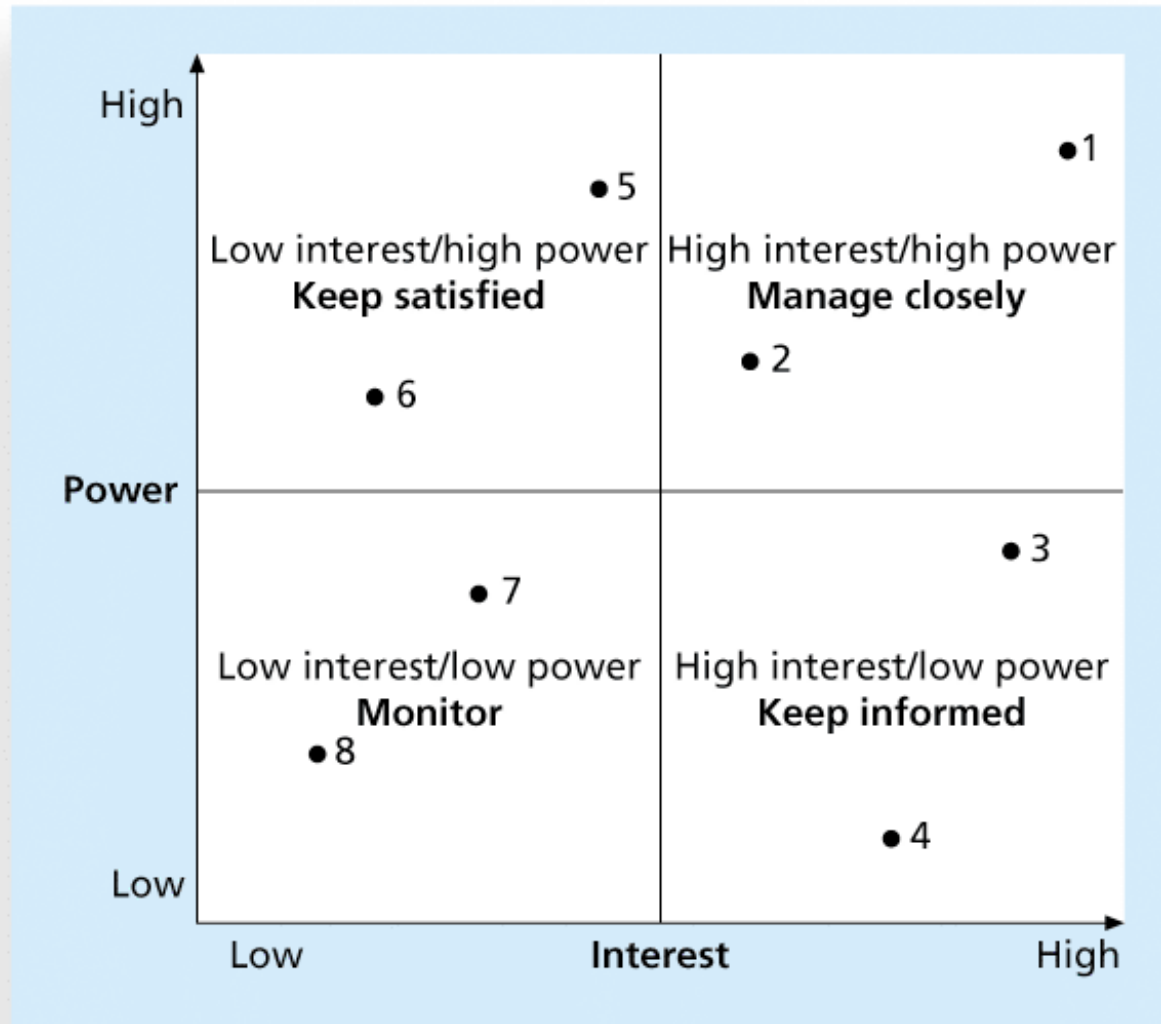
Sample Stakeholder Register

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

Classifying 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

Power/Interest Grid



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

Video 4:

Learning Objectives

- Describe the contents of a stakeholder management plan
- Understand the process of managing stakeholder engagement and how to use an issue log effectively
- Explain methods for controlling stakeholder engagement
- Discuss types of software available to assist in project stakeholder management

Planning Stakeholder Management

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

Sensitive Information

- 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

Sample Stakeholder Analysis

Name	Power/ Interest	Current Engagement	Potential Management Strategies
Stephen	High/high	Leading	Stephen can seem intimidating due to his physical stature and deep voice, but he has a great personality and sense of humor. He previously led a similar refinery upgrade program at another company and knows what he wants. Manage closely and ask for his advice as needed. He likes short, frequent updates in person.
Chien	High/ medium	Resistant	Chien is a very organized yet hardheaded man. He has been pushing corporate IT standards, and the system the PM and sponsor (Debra and Stephen) like best goes against those standards, even though it's the best solution for this project and the company as a whole. Need to convince him that this is okay and that people still respect his work and position.
Ryan	Medium/ high	Supportive	Ryan has been with the company for several years and is well respected, but he feels threatened by Debra. He also resents her getting paid more than he does. He wants to please his boss, Chien, first and foremost. Need to convince him that the suggested solution is in everyone's best interest.
Betsy	High/low	Neutral	Very professional, logical person. Gets along well with Chien. She has supported Debra in approving past projects with strong business cases. Provide detailed financial justification for the suggested solution to keep her satisfied. Also ask her to talk to Chien on Debra's behalf.

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

Expectations Management Matrix

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.
Technology/standards	2	There are several potential solutions available, but only one that meets all of the sponsor's technical requirements, especially for accounting.	While corporate IT standards are important, an exception makes sense in this case.

Issue Logs

- 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

Table 13-4. Sample Issue Log

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.									

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

Ways to Control Engagement

- Engagement involves a dialogue in which people seek understanding and solutions to issues of mutual concern
- Setting the tone right – key stakeholders should be invited to actively participate in a kick-off meeting rather than merely attending it
- The project manager should emphasize that a dialogue is expected at the meeting, including texts or whatever means of communication the stakeholders prefer. The project manager should also meet with important stakeholders before the kick-off meeting
- The project schedule should include activities and deliverables related to stakeholder engagement, such as surveys, reviews, demonstrations, and sign-offs.

Using Software to Assist in Project Stakeholder Management

- Productivity software, communications software, and collaboration tools can promote stakeholder engagement
- Social media can also help engage stakeholders. For example, 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

Social Media for Project Managers

- Elizabeth Harrin, author of *Social Media for Project Managers*, describes the pros and cons of several social media tools, including blogs, collaboration tools, instant messaging, microblogs like Twitter and Facebook, podcasts, RSS, social networks, vodcasts (video podcasts), webinars, and wikis
- Harrin provides advice for when to use social media and when not to use it
- As the saying goes, “A fool with a tool is still just a fool.” A lot of stakeholder engagement requires old-fashioned techniques like talking to someone!